

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1203764-0

Total Deleted Page(s) = 14

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Page 371 ~ b6; b7C;
Page 372 ~ b6; b7C;
Page 373 ~ b6; b7C;
Page 374 ~ b6; b7C;
Page 375 ~ b6; b7C;

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SPECIAL INVESTIGATIVE DIVISION

October 15, 1966

Milwaukee LCN leader scheduled for income tax trial October 17, 1966, in Springfield, Illinois. Motion filed by defendant requesting hearing with respect to microphone found by defendant in August, 1965, when he vacated office space at 2641 North Downer, Milwaukee. Motion notes Internal Revenue Service special agent in Milwaukee Federal Court testified in case pertaining to Balistreri's girlfriend that he occupied apartment in vicinity and spied on this woman which defendant contends is consistent with use of electronic devices. Motion also points out IRS has admitted in Senate committee use of these devices and Department of Justice has admitted use of this device by IRS in tax investigations. No mention of FBI in motion.

It is noted coverage maintained by the Bureau on Balistreri and of which we have advised the Department of Justice was maintained at 2559 North Downer and not at 2641 North Downer.

United States Attorney Brennan, who is handling trial, indicates no concern as a result of motion. That he is not using any data from this area of investigation in establishing violation by Balistreri. Milwaukee and Springfield Offices are being instructed to follow matter closely.

AAS:skh

COPY SENT TO MR. TOLSON

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 142248

THE MOTION IS TO SUPPRESS EVIDENCE ALLEGEDLY OBTAINED BY ELECTRONIC EAVESDROPPING AND OTHER LISTENING OR RECORDING DEVICES.

MOTION STATES PETITIONER (BALISTRIERI) BELIEVES DURING INVESTIGATION OF TAX CASE, HIS PRIVATE PERSONAL OFFICE WAS EQUIPPED WITH ELECTRONIC EAVESDROPPING DEVICES BY FEDERAL OFFICERS INVESTIGATING MATTERS INVOLVED IN INDICTMENT AND RELATED MATTERS. MOTION NOTES DEFENDANT OCCUPIED OFFICE AT 2641 NORTH DOWNER, MILWAUKEE, FROM FEBRUARY 1, 1964 TO AUGUST 14, 1965. FURTHER UPON REMOVING PANELING AFTER DISCONTINUING THIS OFFICE SPACE, ELECTRONIC EAVESDROPPING DEVICE INSTALLED WITHOUT DEFENDANT'S KNOWLEDGE WAS FOUND IN WOOD PANELING OF WALL WITH WIRES LEADING FROM THIS DEVICE TO NEAR BY PHONE POLE OUTSIDE BUILDING WHICH COULD NOT BE TRACED FURTHER. DEFENDANT NAMES HIMSELF AND TWO ASSOCIATES MAKING THIS OBSERVATION.

FOR INFO OF BUREAU, AS SET OUT IN REAIRTEL, BUREAU'S INSTALLATION WAS AT 2559 NORTH DOWNER, MILWAUKEE, WHICH IS

Tolson _____
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 Holmes _____
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DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE THREE FROM MILWAUKEE 142248

ABOUT ONE BLOCK NORTH OF ADDRESS SET FORTH IN PETITION AND ADDRESSES ARE IN SEPARATE BLOCKS WITH DIVIDING STREET.

MOTION NOTES THAT [REDACTED] IRS, SPECIAL

AGENT, ENGAGED IN INVESTIGATION OF BALISTRIERI'S TAX CASE,
U.S. District Court, Eastern Dist. of Wisconsin
 TESTIFIED, ~~USDC~~, ~~EDW~~, MILWAUKEE, IN MISCELLANEOUS CAUSE

PERTAINING TO [REDACTED] BALISTRIERI, WHICH WAS
 A PROCEEDING FOR SUPPRESSION OF EVIDENCE OBTAINED UNDER
 SEARCH WARRANT, [REDACTED] ADMITTING AT TIMES HE OCCUPIED
 APARTMENT OPPOSITE [REDACTED] AND SPIED ON HER THROUGH
 HOLE IN DOOR. MOTION STATES SUCH SURVEILLANCE CONSISTENT

WITH USE OF ELECTRONIC EAVESDROPPING DEVICE AND IN ADDITION

~~INTERNAL REVENUE~~
 IRS HAS ACKNOWLEDGED BEFORE US SENATE COMMITTEE THAT SUCH

~~INTERNAL REVENUE~~
 DEVICES WERE USED IN MILWAUKEE AND IRS AND DEPARTMENT OF

~~U.S. DISTRICT COURT~~
 JUSTICE HAVE ADMITTED IN ~~USDC~~, AND OF ILLINOIS AND U.S.

SUPREME COURT THAT ELECTRONIC EAVESDROPPING DEVICES FOR OVER-
 HEARING CONVERSATIONS AND FOR TELEPHONIC INTERCEPTION HAVE

~~INTERNAL REVENUE~~
 BEEN USED BY IRS IN INVESTIGATION OF ALLEGED TAX VIOLATIONS.

FURTHER, THAT IRS AND JUSTICE DEPARTMENT HAVE ADMITTED THAT

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Tolson _____
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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE FOUR FROM MILWAUKEE 142248

| SAID AGENCIES POSSESSED SUCH EQUIPMENT.

MOTION REQUESTS COURT REQUIRE EVIDENCE FROM [REDACTED] b6
 AND OTHER AGENTS ENGAGED IN INVESTIGATION OF BALISTRIERI'S b7C
 TAX CASE TO DETERMINE IF THEY WERE RESPONSIBLE FOR INSTALLATION
 OF DEVICE DISCOVERED ON NORTH DOWNER IN MILWAUKEE.

FURTHER MOTION REQUESTS SUPPRESSION OF ANY EVIDENCE
 EMANATING FROM USE OF ABOVE MENTIONED DEVICES AND METHODS.

MOTION MAKES NO MENTION OF FBI OR OTHER GOVERNMENT
 INVESTIGATIVE AGENCIES, EXCEPT IRS.

Asst U.S. ATTORNEY
 AUSA [REDACTED] EDW, MILWAUKEE, STATED TODAY USA b6
 BRENNAN ALREADY AT SPRINGFIELD, ILL. AND AWARE OF MOTIONS. b7C

[REDACTED] STATES BRENNAN NOT TOO CONCERNED BECAUSE HE IS NOT
 USING ANY DATA FROM THIS AREA OF INVESTIGATION. BRENNAN
 FEELS HE CANNOT OBJECT TO LATE FILING OF THIS MOTION AND
 PROBABLY HEARING WILL HAVE TO BE HELD BEFORE JUDGE POOS,
 WHICH MAY BE VERY ANNOYING TO THIS JUDGE.

U.S. ATTORNEY
 SPRINGFIELD SHOULD BE ALERT FOR ANY INFO FROM USA
 BRENNAN AND STAFF OF INTEREST TO BUREAU IN THIS MATTER.

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Sullivan _____
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Tele. Room _____
Holmes _____
Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE FIVE FROM MILWAUKEE 142248

XEROX COPY OF MOTION BEING FORWARDED TO BUREAU VIA
AIRTEL.

RECEIVED: 1:19 AM 10-15-66 LRA

cc: [Signature]
[Signature]
[Signature]
J. [Signature]

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DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

11:48 PM URGENT 10-14-66 MRF
 TO DIRECTOR AND SPRINGFIELD
 FROM MILWAUKEE 142248

ATTENTION: SECTION CHIEF THOMAS J. MC ANDREWS.

JUNE.

① *Anti RACKETEERING*
 ERANK PETER BALISTRERI, AKA, AR. 00: MILWAUKEE

RE MILWAUKEE PHONE CALL TO BUREAU, INSTANT DATE AND
 MILWAUKEE AIRTEL TO BUREAU OCTOBER 5 LAST.

BY COVER LETTER, OCTOBER 13 LAST, MAURICE J. WALCH,
 CHICAGO, ILLINOIS ATTORNEY FOR CAPTIONED SUBJECT IN LATTER'S
 FEDERAL INCOME TAX TRIAL TO COMMENCE OCTOBER 17, NEXT,
 SPRINGFIELD, ILLINOIS, FORWARDED TO ^{U.S. ATTORNEY} USA, MILWAUKEE, COPY
 OF MOTION WHICH HE SAID HE WOULD PRESENT TO JUDGE POOS
 AT SPRINGFIELD AT OPENING OF COURT, MONDAY AM, OCTOBER 17
 NEXT. WALSH ALSO ADVISED HE WOULD REQUEST HEARING ON THIS

MOTION BEFORE THE TAKING OF EVIDENCE.

REC 14

93-711-401

1-108 10 OCT 26 1966

198
 MR. DELOACH FOR THE DIRECTOR

The Acting Attorney General

with serious problems concerning prospective or continued prosecution of individuals who have been the subject of electronic coverage. Mr. Vinson indicated the Department was interested in knowing when electronic surveillances were used. Mr. Vinson specifically mentioned several tax cases in this regard.

It is noted that as a follow up to this memorandum, the Bureau on September 29, 1966, advised the Attorney General of our prior electronic surveillance on Ballistreri.

With respect to the material acquired by our Milwaukee Office from [redacted] it has been ascertained that b6 b7C all of this material was turned over to the court in Springfield, Illinois, and that no other records exist nor are there any negatives or extra copies of these records available.

With respect to the installation and monitoring of the [redacted] and Ballistreri sources, it is noted that details in this regard were provided the Department by memorandum October 7, 1966. The authority for the establishment of these sources is the same as is outlined in the material furnished to b6 b7C the Department for use in the Black case.

1 - The Deputy Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

F B I

Date: 10-21-66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL (REGISTERED)
(Priority) *DJF*

TO DIRECTOR, FBI
 FROM SAC, SPRINGFIELD (66-1368)
 SUBJECT FRANK PETER BALISTRIERI, Aka
 AB JUNE

Re: Milwaukee phone call 10-20-66;
 Bureau phone call to Springfield, 10-21-66;
 Springfield phone call to Bureau, 10-21-66.

The photographs furnished to the Springfield Division relative to [redacted] in connection with captioned matter were personally delivered to [redacted] Income Tax Attorney for the Department of Justice, presently in Springfield, Illinois in connection with the income tax trial of captioned subject, at 3:10 PM, 10-21-66. This material was furnished to [redacted] after he had received specific telephonic instructions from the Department of Justice, Washington, D.C. as to the procedure to follow relative to his review and handling of this material. He advised he would follow the instructions of the Department of Justice and would return this material to the FBI as soon as it was available for return.

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③ - Bureau (RM)
 2 - Springfield
 REG:vr
 (5)

REC 26

EX-113

10-21-66 403
 OCT 27 1966

55 NOV 3 1966 M/S
 Approved: 3196 Sent _____ M Per _____
 Special Agent in Charge

SPLS. 10/11/66

F B I

Date: 10/3/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO: DIRECTOR, FBI JUL 16

FROM: SAC, MILWAUKEE (66-950) *007*

SUBJECT: FRANK PETER BALISTRIERI
AR

MI 94-316
Bufile 92-3116

Re Bu-airtel to Milwaukee 9/30/66.

On 10/3/66 USA JAMES B. BRENNAN, EDW, Milwaukee, and AUSA [redacted] AUSA, EDW, Milwaukee, who is presenting Government's case in BALISTRIERI tax matter commencing 10/17/66, were advised of contents of Bulet to Attorney Agneral 9/29/66 which was enclosed with re-Bu-airtel.

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Both USA BRENNAN and AUSA [redacted] stated they had no prior knowledge that Milwaukee FBI Office had technical coverage on FRANK PETER BALISTRIERI. USA BRENNAN could not foresee any problems arising out of this situation during the tax trial of BALISTRIERI.

Bureau will be kept advised of all developments.

REC-16 92-3116-404

11-2

3 Bureau AM RM
1-Milwaukee
JEO:mk
(4)

9/26/66

Approved: CJ Sent: M Roper
Special Agent in Charge

F B I

Date: 10/18/66

*Reff*Transmit the following in _____
(Type in plaintext or code)

AT&T

AIR MAIL REGISTERED MAIL

Via _____

(Priority)

TO: DIRECTOR, FBI JUNE

FROM: SAC, MILWAUKEE (66-950)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

g-d *ft*
g-d *ft*
Re Bureau telephone calls to Milwaukee and Milwaukee telephone calls to Bureau 10/18/66.

In accordance with instructions of Section Chief THOMAS J. MC ANDREWS, a thorough review of microphone surveillance logs concerning FRANK PETER BALISTRIERI [REDACTED] DOMINIC HENRY FRUNZI [REDACTED] disclosed the following Bureau personnel participated in monitoring of these sources during the time they were in operation:

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[REDACTED]	SE	Milwaukee
[REDACTED]	SA	Milwaukee
ALEXANDER P. LE GRAND	SA -	Philadelphia (last known)
JOHN A. HOLTZMAN		Retired SA - Milwaukee
RICHARD C. THOMPSON		" " - Peoria, Ill.
[REDACTED]	SA	" " - Milwaukee
CHARLES F. AHERN, SA -		" " - Kenosha, Wis.
CARLYLE N. REED, SA		Milwaukee
ALBERT B. KNICKREHM, SA -		Baltimore (last known)
[REDACTED]	SA	Milwaukee Office, RA Kenosha, Wis.
		(presently at In-Service, SOG)
		Milwaukee
		SOG, Division #5
		New Orleans (last known)
		Resigned, last known Milwaukee
		Baltimore
		Resigned

3-Bureau AM: RM
1-MilwaukeeREC-16
FM 10/18/66
1-Springfield (info)11-2
AM OCT 26 1966

PHF: JEO:CNR:mk

(5)

Approved: *[Signature]*

Sent _____ M

Per _____

Special Agent in Charge

NOV 1 1966

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Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-960

JUNE

JAMES H. BREWSTER, SA

Milwaukee - presently Training
Division, SOG[redacted] SA — Milwaukee - resigning effective
SA — 10/31/66GEORGE S. BACON, SA
MIRZETTE W. MEAKINSNewark (last known)
FBI Laboratory, SOG
WFO
Retired SA - Floridab6
b7C

JOHN A. HOLTZMAN

Retired SA - Peoria, Ill.

It should be noted that write-ups of information from [redacted]
 were made on a daily basis and these pages were initialed
 by former SA HOLTZMAN, retired. Although not shown on this
 record, SA [redacted] and SE [redacted] typed
 the daily summary sheets from the tape recordings, said tapes
 having been destroyed.

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Re microphone surveillance of [redacted] identified as
 [redacted] as the Bureau has been previously advised, all
 tapes and logs of this coverage were destroyed shortly after
 discontinuance of this operation. Former SA JOHN H. HOLTZMAN,
 and SAs ALBERT B. KNICKREHM and [redacted] are
 recalled as having monitored this source.

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Approved: _____ Sent: _____ M Per: _____
 Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 63-950

In P.M. of 10/13/66 SAC, Milwaukee, was telephonically contacted by retired SA [redacted] Governor's Commission on Law Enforcement and Crime, Madison, Wis. [redacted] advised he had just received call from IRS agent [redacted] (phonetic), Madison, Wis., who advised he had been requested to locate [redacted] in order that a subpoena could be issued for [redacted] appearance in IRS trial re FRANK BALISTRIERI, now under way in Springfield, Ill. [redacted] advised he had read accounts of the case in the newspapers and understood that the defense was attempting to obtain testimony re any monitoring in connection with BALISTRIERI or his associates. [redacted] advised he could not at this time recall any participation on his part in monitoring activities in the FBI investigation of BALISTRIERI, but did recall that he manned a lookout for a period on [redacted]. He stated he would advise SAC, Milwaukee, of any further contact re the subpoena.

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[redacted] called back shortly thereafter to advise SAC, Milwaukee, that an Agent [redacted] (phonetic), IRS, had just called from Springfield, Ill. [redacted] advised they had had [redacted] IRS agent, on the stand and [redacted] had been forced to name all individuals he knew who had any connection with any monitoring re BALISTRIERI and [redacted] had named [redacted] JOHN A. HOLTZMAN, (SA, retired), and some others, not recalled at the moment by [redacted] advised him that the USA would be calling him as the defense would be subpoenaing him, [redacted] to ask him questions concerning bugging devices.

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Shortly thereafter [redacted] again called SAC, Milwaukee, to advise that [redacted] Regional Counsel, IRS, had just called him from Springfield, Ill. He stated [redacted] indicated the reason for calling [redacted] as a witness was based on information which the Justice Dept. received from the FBI several days ago concerning 3 bugging devices. [redacted] advised the Dept. had decided to turn over all their information to the court at Springfield and had furnished the prosecution with FBI and IRS information. According to [redacted] the information was originally disclosed in a pre-trial conference at which were present all of the defense

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F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

and prosecution attorneys who examined the information at the in camera conference and were all sworn to secrecy concerning the information. DIAS indicated that after the conference it was decided that the Govt. would go into open court and bring out all of the evidence in order to determine if the testimony in the IRS case should be suppressed. DIAS indicated the Govt. would show the sources of all their evidence.

According to [redacted] advised that he, [redacted] would be questioned concerning the period 1960 to June, 1962, when [redacted] retired from the FBI. He would be asked: (1), whether he had ever installed any monitoring devices concerning BALISTRIERI. [redacted] stated he would answer "no" to such question. (2) Whether he knows of any monitoring or listening devices concerning BALISTRIERI or his associates. [redacted] stated he would have to answer that he recalled manning a monitoring device concerning [redacted]

[redacted] on a few occasions and for a period, dates not recalled, manning a lookout on her apartment located at that address. (3) He would be asked concerning exchange of information between the FBI and IRS concerning the BALISTRIERI matter. [redacted] stated he would have to testify that he recalled information was exchanged with IRS and that he recalled a few oral conferences with IRS agents, one of whom he believes was [redacted] but has no specific recollection of items exchanged nor of any written exchange of correspondence or otherwise.

[redacted] stated that [redacted] further advised him that the IRS agents have now testified openly in court and had divulged the names of a half-dozen FBI agents, names not at the moment recalled, other than JOHN A. HOLTZMAN and himself. At this point, according to [redacted] USA JAMES B. BRENNAN, 40+, had come on the line to [redacted] advised him generally the same as [redacted] had, and further stated that several other FBI agents or ex-agents would be called to testify, and that retired FBI SA JOHN A. HOLTZMAN would definitely be called. [redacted] stated he asked USA BRENNAN whether the defense was calling him or the Govt., since if the defense were calling him he would not go until a subpoena was received. USA BRENNAN advised him he was being called by the Govt. Therefore [redacted] advised USA BRENNAN

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F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MF 66-960

that he would accede to his request and would appear in court by 10 a.m. 10/19/36.

Subsequently, USA JAMES B. BRENNAN telephonically contacted SAC, Milwaukee, from Springfield, Ill. USA BRENNAN advised that SA [REDACTED] SE [REDACTED] and SA JAMES E. MC ARDLE would be needed to testify on the a.m. of 10/19/36. He advised the Dept. was being contacted and request would come through the Bureau shortly. He also desired assistance in contacting retired SA RICHARD C. THOMPSON and retired SA ALEXANDER P. LE GRAND, who were also being subpoenaed. USA BRENNAN advised that retired SAs [REDACTED] and JOHN A. HOLTZMAN had already been subpoenaed to appear.

Information concerning the telephone numbers and current addresses of retired SAs THOMPSON and LE GRAND was obtained and furnished telephonically to USA BRENNAN. He was advised this data was being furnished to him in the event he or his staff desired to contact these retired SAs in connection with the case. No action has been taken by FBI, Milwaukee, to contact THOMPSON or LE GRAND.

It is noted that the name of SA JAMES E. MC ARDLE does not appear in the list of names furnished above from logs in the Milwaukee Office. Available information shows that SA MC ARDLE was the case agent in the FRANK BALISTRIERI, AB, case prior to JOHN A. HOLTZMAN.

As of the time of the preparation of instant airtel, Milwaukee Office was awaiting word from Bureau as to whether SAs [REDACTED] and MC ARDLE and SE [REDACTED] should proceed to Springfield, Ill. to testify.

The Bureau will be kept advised concerning developments in the trial of FRANK BALISTRIERI at Springfield, Ill. ascertained by this office.

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

Subsequently, on 10/18/66, Bureau advised by telephone that SA [redacted] and MC ARDLE and SE [redacted] were cleared to proceed to Springfield for testimony if compelled to do so by Dept. USA BENNAN was contacted and advised these individuals are desired for mid-morning appearance on 10/19/66. He was advised they would appear. Reservations have been made for above 3 Bureau personnel on Flight 701, Ozark Airlines, departing Milwaukee 8 a.m. 10/19/66 to arrive Springfield, Ill. 10:30 a.m. 10/19/66.

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-6-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

The Acting Attorney General
Director, FBI

November 4, 1966

1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

This will confirm information telephonically furnished [redacted] of the Tax Division on the evening of November 3, 1966, by Assistant Director James H. Gale of this Bureau.

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In accordance with [redacted] request, a detailed examination was made of this Bureau's files. The examination revealed that all information developed by the microphone coverage of Dominic Frinzi is set forth in the logs which have previously been made available to the Department.

COPY AND COPY OF ENCL FILED IN 62-318

- 1 - The Deputy Attorney General
1 - Mr. Mitchell Rogovin
Assistant Attorney General

NOTE: A check of Bureau files and the files of the Milwaukee Division was made in response to a request from [redacted] of the Tax Division as to whether there were any airtels, memoranda or reports in the possession of the Bureau containing information from the microphone on Dominic Frinzi, which information was not reported in the logs previously supplied to the Department. A search of our files and the files of the Milwaukee Division revealed that all information developed by this microphone on Frinzi was set forth in the logs of this source which logs have previously been furnished to the Department.

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EX-110

Tolson	
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Callahan	
Conrad	
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Rosen	
Sullivan	
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Trotter	
Tele. Room	
Holmes	
Gandy	

ENCLOSURE
McA:tjm:msm
(9)

25 NOV 7 1966

MAIL ROOM TELETYPE UNIT

REC 30

10 NOV 4 1966

92-3116-406
AD gplant

UNITED STATES GOVERNMENT

Memorandum

TO : Thomas J. McAndrews
Federal Bureau of Investigation

DATE: October 12, 1966

FROM : [REDACTED] Senior Trial Attorney
Criminal Section, Tax Division
Department of Justice

SUBJECT: RECEIPT - VOLUMES RELATING TO FRANK PETER BALISTRIERI

b6
b7C

Receipt is hereby acknowledged of the following volumes
of summary logs and airtels as indicated:

(1) Milwaukee file 92-222, Sub 1 (Dominic Frinzi)

(2) Milwaukee file 66-960, two volumes (Frank Peter
Balistrieri)

(3) Airtel dated 5/12/64

(4) One hundred and three page transcript of con-
versation April 3, 1964, between [REDACTED]
[REDACTED]

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(5) Copy of transcript of conversation 10/29/64,
43 pages and one of 71 pages

(6) Milwaukee file 94-316 [REDACTED]
Airtels dated 10/23/61, 10/28/61, 11/1/61, 11/3/61, 11/6/61,
11/6/61, 11/8/61, 11/9/61, 11/13/61, 11/15/61,
11/16/61, 12/28/61, 1/26/62, 2/2/62

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b7C

COPY TO DSS, CJA
36 MAY 24 1972



FRANK PETER BALISTRIERI, 92-3116
Dominic Frinzi 92-6805

b7E

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

ENCLOSURE 92-3116-406

The Attorney General

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

September 29, 1966

Director, FBI

REC-67 52-3116-407

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

It has come to our attention that the captioned individual of Milwaukee, Wisconsin, is the subject of an Internal Revenue Service case.

This is to advise you that we had an electronic surveillance on Balistrieri during the period from March, 1964, to June, 1965, in connection with our investigation concerning his racketeering activities.

It is understood that the information received from this coverage was not disseminated to the Internal Revenue Service and, therefore, has not been used as a basis for the investigation of Balistrieri by that service. Information obtained from this surveillance is available for review by Department representatives.

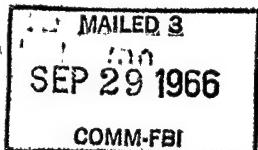
- CC
- 1 - The Deputy Attorney General
 - 1 - Mr. Mitchell Rogovin
Assistant Attorney General

RECD...READING #006
SEP 29 11 1966 JGL:tjm

✓ 6 NOV 7 1966

NOTE: See memo J. H. Gale to DeLoach, same caption, 9/29/66, JGL:tjm

JGL:tjm
(9)



Tolson _____
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MAIL ROOM TELETYPE UNIT

67 NOV 8 1966

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: September 29, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
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Gandy _____

La Cosa Nostra leader in Milwaukee, Balistrieri, has been the subject of investigation by the Internal Revenue Service and is currently under indictment on charges of violating Internal Revenue Service laws. Trial on this matter has been set for the middle of next month in Springfield, Illinois.

On the basis of information that Balistrieri was holding meetings of La Cosa Nostra members in his office located at the Continental Music Sales Company, 2559 North Downer Street, Milwaukee, a microphone surveillance was instituted March 9, 1964, on this office in order to develop information as to La Cosa Nostra activities and operations in the Milwaukee area. Limited information was obtained from this source inasmuch as Balistrieri's meetings with associates were held on an infrequent basis and as a result the coverage was discontinued on June 3, 1965. REC-67

Milwaukee has advised that none of the information received from the microphone on Balistrieri was furnished to the Internal Revenue Service or is known to have been the basis for Internal Revenue Service investigation into Balistrieri's activities.

RECOMMENDATION:

6 NOV 27 1966

In view of the Department's request to be advised of the existence of any situation involving anticipated prosecution where there has been microphone coverage, it is recommended that the attached letter go forward to the Attorney General advising that we did have microphone coverage on Balistrieri in order that, if desired, the Department can review the material obtained from this coverage in advance of the trial. The United States Attorney at Milwaukee will also be advised.

Enc. - Sent 9-29-66

- 1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Mr. John Edgar Hoover
Director
Federal Bureau of Investigation

FROM : Mitchell Rogovin
Assistant Attorney General
Tax Division

SUBJECT: Frank Peter Balistrieri
Millwaukee, Wisconsin

DATE: SEP 30 1966
5-85-2146

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wicker
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosén
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

In your memorandum to the Attorney General dated September 29, 1966, you state that you had an electronic surveillance on Balistrieri during the period from March, 1964, to June, 1965; that it is understood that the information obtained from the surveillance was not disseminated to the Internal Revenue Service; and that, therefore such information was not used as a basis for the investigation of Balistrieri by the Internal Revenue Service. Your memorandum further states that the information obtained by the surveillance is available for review by Department representatives.

The trial of Frank Peter Balistrieri for violation of Title 18, Section 371 U.S.C. and violation of Section 7201, Title 26 U.S.C. is scheduled for trial at Springfield, Illinois in the Southern District of Illinois for October 17, 1966.

For our assistance in analyzing the posture of this case we would appreciate your providing us with the following information and records:

- (1) Information regarding the installation and location of wiretaps, listening devices or other electronic surveillance devices which were installed so as to monitor conversations of Frank Peter Balistrieri, [redacted]
[redacted] and of [redacted] any other persons connected with the operations of the various Balistrieri business enterprises in Milwaukee, Wisconsin.

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Please advise as to the methods used to monitor conversations; manner and place of installation; length of time particular installations were in use; and whether recordings, transcripts, logs, notes or memoranda were made during the time of the surveillance.

REC-67

NOV 7 1966

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NIN

- (3) If such records exist today, please make them available to us.
- (4) Please advise whether information from the surveillance operations appeared directly or indirectly in reports prepared by the Bureau. If so, copies of the reports should be made available to us.
- (5) Please advise whether or not personnel of the Internal Revenue Service were made aware in any manner whatsoever as to the information obtained from the surveillance. If so, please advise as to the identity of the personnel who were made cognizant of the information, the dates when that occurred and the nature of the information involved.

[redacted] Chief, Criminal Section, Tax Division, and
attorneys [redacted] of [redacted]
his staff are hereby designated as attorneys who may receive the requested information.

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Approved:

[redacted]

Deputy Attorney General

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Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

6:38 PM URGENT 10-5-66 PJR

TO DIRECTOR

FROM MILWAUKEE 051735

ATTN: SECTION CHIEF THOMAS J. MC ANDREWS.

JUNE

O
FRANK PETER BALISTRIERI, AKA, AR.

RE BUREAU PHONE CALLS TO MILWAUKEE, OCTOBER 4 LAST AND
MILWAUKEE PHONE CALL TO BUREAU INSTANT DATE.

THE FOLLOWING INFO IS RESPONSE TO TAX DIVISION DEPT.
REQUEST FOR INFO RE DISSEMINATION OF DATA TO IRS FROM TECHNICAL
COVERAGE RE CAPTIONED MATTER. THIS INFO TO BE FOLLOWED BY
DETAILED AIRTEL ENCLOSING PERTINENT DOCUMENTS FROM MILWAUKEE
FILES:

MILWAUKEE AIRTEL TO BUREAU, JULY 7 LAST, CAPTIONED AS
ABOVE, SETS OUT SPECIFICS RE DATES AND PLACES OF MISURS IDENTI-
FIED AS [REDACTED] THAT AIRTEL ADVISES

b7E

REC-67

92-3116-409

© NOV 7 1966

NOV 9 1966

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 051735

RE DISPOSITION OF LOGS AND TAPES FROM MONITORING OF THESE SOURCES. IN ADDITION, BUREAU NOTE THAT ALL OF THESE WERE MONITORED IN MILWAUKEE FBI SPACE. TRESPASS WAS INVOLVED IN ALL THREE LOCATIONS TO EFFECT SAME.

IN ADDITION TO TAPES AND LOGS ALREADY FURNISHED BY REMIAIRTEL, DIVERSE ADDITIONAL DOCUMENTS, INCLUDING AIRTELS, RADIograms, TELEtypes, LETTERS AND REPORTS CONTAINING INFO FROM [redacted] BEING FURNISHED BUREAU TODAY AS ENCLOSURES TO FORTH COMING AIRTEL.

b7E

AS INDICATED BY REMIAIRTEL TO BUREAU, JULY 7 LAST, BUREAU IS IN POSSESSION OF ALL INFO RECEIVED AS TRANSCRIBED TO LOG FORM FROM [redacted] CONCERNING [redacted] AND [redacted] A THOROUGH REVIEW OF LOGICAL MILWAUKEE FILES, DISCLOSE NO INDICATION OF DISSEMINATION LOCALLY TO IRS. INFO ATTRIBUTABLE TO THESE SOURCES INCLUDED IN INVESTIGATIVE REPORTS TO USA, MILWAUKEE WITH IDENTITIES OF THESE SOURCES CONCEALED UNDER APPROPRIATE T SYMBOLS.

b7E

A THOROUGH REVIEW OF LOGICAL MILWAUKEE FILES REVEALED ONLY TWO INSTANCES TO INDICATE DISSEMINATION WAS MADE TO IRS IN THIS

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

D E C O D E D C O P Y

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE THREE FROM MILWAUKEE 051735

MATTER. THOSE INSTANCES PERTAIN TO INFO FROM [redacted]

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THOSE INSTANCES ARE RECORDED IN FD'S 143 TO BUREAU, BUFILE 92-3116, DATED MARCH 30, 1962 AND JANUARY 22, 1962, RE "FRANK PETER BALISTRIERI, AKA, AR" AND APPEARS ON PAGES 7 TO 8 AND PAGE 6 RESPECTIVELY IN THESE COMMUNICATIONS. AS FAR AS CAN BE DETERMINED, THIS INFO WAS FURNISHED ORALLY TO IRS BY SA JOHN A. HOLTZMAN, RETIRED, AND DOES NOT INDICATE IDENTITY OF IRS PERSONNEL AT MILWAUKEE TO WHOM IT WAS FURNISHED OR THE DATES ON WHICH IT WAS FURNISHED. THIS INFO IS INCLUDED IN THE REPORTS OF SA HOLTZMAN, DATED MAY 14, 1962 AND FEBRUARY 20, 1962 AT MILWAUKEE IN THE BALISTRIERI CASE, PAGES 18 THROUGH 20 AND PAGE 22 RESPECTIVELY, WITH NO INDICATION OF REPORTS GOING TO IRS.

IN BRIEF, THE INFO AS OBTAINED FROM [redacted]

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Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE FOUR FROM MILWAUKEE 051735

THE INFO AS OBTAINED FROM THIS SOURCE, AS SET OUT IN
FD 143, DATED MARCH 30, 1962, IN BRIEF, PERTAINS TO FACT [REDACTED]

[REDACTED] IN MILWAUKEE.

RECEIVED: 8:01 PM MSE/RAK

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F B I

Date: 10/6/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL - REGISTERED
(Priority)

TO : DIRECTOR, FBI (92-3116) ATTN: SECTION CHIEF THOMAS
 FROM : SAC, MILWAUKEE (66-950) J. MC ANDREWS
 SUBJECT : FRANK PETER BALISTRIERI,
 aka
 AR

J U N E

Re Bureau phone calls to Milwaukee, 10/6/66.

Enclosed herewith for the Bureau is a Xerox copy of "CRIMINAL DOCKET UNITED STATES DISTRICT COURT", EDW, Milwaukee, relating to captioned individual.

A review of the records of the Clerk of Court, Milwaukee, at the request of Bureau Agents on 10/6/66, concerning any criminal actions naming FRANK PETER BALISTRIERI or [redacted] as defendants, revealed that the only record of indictment of FRANK PETER BALISTRIERI was the indictment returned by the Federal Grand Jury at Milwaukee on 1/6/65, which is the conspiracy and Federal Income Tax fraud case.

Also enclosed for the Bureau is one Xerox copy of a miscellaneous Civil Docket # 16, USDC, EDW, Milwaukee, pertaining to the affidavit and issuing of commissioner's search warrant on 9/26/62 by which IRS Agents on the same date made a search and seized books and records [redacted] which is [redacted] Milwaukee, Wisconsin. This docket reflects the various motions entertained in counter actions by the defense and the Government, which in substance, reflects that a motion to suppress information obtained from the books and records seized was not granted by the

3-Bureau (92-3116) (Encls 2) (RM-AM)
 2-Milwaukee (66-960)
 JEO:sbt
 (5)

REC'D

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66-777-1
JUN 19 1966

Approved: ██████████
 Special Agent in Charge

Sent _____ M Per _____

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CRIMINAL DOCKET
UNITED STATES DISTRICT COURT

65 - Cr - 9

D. C. Form No. 100A Rev.

TITLE OF CASE	ATTORNEYS
<p>THE UNITED STATES vs. FRANK PETER BALISTRIERI and Ct. 1,2,3 JENNIE ALIOTO Ct. 1</p> <p>INDICTMENT - 3 Counts</p> <p>T 18 S 371 - Conspiracy to defraud the U. S. in the assessment and collection of income taxes - Ct. 1</p> <p>T 26 S 7201 - Filing a fraudulent personal income tax return for years 1959 and 1960 - Cts. 2 & 3</p>	<p>For U. S.:</p> <p>For Defendant: (Both) Maurice J. Walsh James Shellow Dominic Frinzi</p>

STATISTICAL RECORD	COSTS		DATE	NAME OR RECEIPT NO.	REC.	DISB.
J.S. 2 mailed	Clerk					
J.S. 3 mailed	Marshal					
Violation	Docket fee					
Title						
Sec. T. 18 USC Sec. 371 T. 26 USC Sec. 7201						

DATE	PROCEEDINGS
1965	
Jan 6	Indictment filed.
" "	Warrants issued as to each deft. Bail set at \$5,000.00 as to each deft.
" "	Appearance bond in sum of \$5,000.00 as to deft. BALISTRIERI, own recognizance.
" "	" " " " " \$5,000.00 " " " " ALIOTO " "
" 7	Warrants as to each deft. ret'd executed.
" 11	Record of proceedings as to each deft. before U. S. Comm'r, John C. McBride.
Feb 15	HEARING on arr. & plea of both defts. (Omer Poos) Both defts. entered pleas of not guilty. (Motions to be filed by May 5, 1965, with supporting briefs. Gov't has 60 days for response. Estimated trial time - 2 weeks. Trial date Sept. 7, 1965.)
" 19	Transcript of 2/15/65 arr. & plea proceedings.
May 5	Motion of both defts to dismiss Count 1 of indictment.
" "	" " deft. ALIOTO for severance of Ct. 1 from Cts. 2 & 3, and further for separate trial from other deft.
" "	Motion of deft. BALISTRIERI for bill of particulars of Cts. 2 & 3. " " " " for severance of Ct. 1 of indictment from Cts. 2 & 3, and for a separate trial from other deft.

ENCLOSURE

410

13-32-9

DATE	PROCEEDINGS
July 2	Bill of particulars filed by gov/t.
" "	Govt's reply to defts' motion to dismiss Count 1 of the indictment.
" "	Govt's reply to defts' motion for relief from prejudicial joinder of offenses and defendants.
" 16	Defts' motion to reset the cause for trial generally, or to a date deemed advisable, under the circumstances, with affidavit of Maurice J. Walsh.
" 28	Motion of Jennie Alioto, Frank Balistrieri and others to suppress for use as evidence in this action various materials resulting from 9/26/62 search (filed in Miscellan Proceeding No. 16).
Sept 17	HEARING on defts' motions for severance, for further bill of particulars, and for dismissal of Count 1 (Omer Poos): Motion for further bill of particulars denied. Other motions under advisement. Trial set for Monday, Feb. 7, 1966.
" "	Defts' motion to dismiss Count 1. (Given to Judge Poos).
<u>1966</u>	
Jan 4	Order dated 1-3-66 (Omer Poos) denying defendants' motion to dismiss Count 1 of the indictment but granting the motion for severance. Case of Frank Balistrieri to be tried first. Trial adjourned until May 1966.
Feb 2	Motion of deft. BALISTRERI for continuance of trial date to June 1966, with affidavit of James Shellow.
May 18	Motion of deft. BALISTRERI for transfer of case pursuant to Rule 21(a) F. R. Cr. P. with affidavit of Maurice J. Walsh
" 19	Govt's answer to motion of deft. BALISTRERI for transfer of case.
" 23	Deft. BALISTRERI's exhibit of newspaper clippings in support of motion to transfer venue.
June 30	HEARING on motion of deft. BALISTRERI to transfer venue and pre-trial conference (Omer Poos): Motion granted. Case to be transferred to Southern Division of Southern District of Illinois. Case set for trial on Oct. 17, 1966.
" "	Order transferring proceedings to Southern Div. Sou. Dist. Illinois, under Rule 21(a) F. R. Cr. P.
July 7	File in case of U. S. v. Frank Peter Balistrier forwarded to Clerk, U. S. Dist. Court, Sou. Dist. Illinois, Peoria, Illinois.

CIVIL DOCKET

MISCELLANEOUS NO. 16

MISC. 16

UNITED STATES DISTRICT COURT

Jury demand date:

C. Form No. 106A Rev.

TITLE OF CASE

ATTORNEYS

UNITED STATES OF AMERICA

v.

The premises known as Apartment 406,
 1609 North Prospect Avenue, Milwaukee,
 Wisconsin, occupied by Jennie Alioto
 under the alias of Lorretta Fischer.

JENNIE ALIOTO, a/k/a Loretta Fischer;
 FRANK PETER BALISTRIERI; PETER FRANK
 BALISTRIERI; JOSEPH BALISTRIERI;
 BENEDETTA BALISTRIERI; CLUB 26, INC.,
 a/k/a Villa Venice; CARL DENTICE,
 d/b/a Carl Dentice Phonographs; JOSEPH
 MANIACI, d/b/a Henri's Show Lounge;
 THE PUB, INC., a/k/a Milwaukee Tradewinds,
 Inc., d/b/a Gallagher's Steak House;
 TOWER TAVERN, INC.; BEN KAY, INC. d/b/a
 The Downtowner; HOTEL ROOSEVELT, INC.;
 BADGER STATE BOXING CLUB, INC.; BONFIRE, INC.;
 MELODY LANE, INC.

Petitioners,

vs.

UNITED STATES OF AMERICA,

Respondent.

STATISTICAL RECORD	COSTS		DATE	NAME OR RECEIPT NO.	REC.	DISB.
S. 5 mailed	Clerk					
S. 6 mailed	Marshal					
asis of Action: Motion under Rule 41, F RCrP, to suppress evidence seized under search ction arose at: warrant.	Docket fee Witness fees Depositions					

ENCLOSURE

92-3116-410

MISCELLANEOUS NO. 16

MISC. 16

DATE	PROCEEDINGS	Date Ord Judgment
10/3/62	Record of proceedings - Miscellaneous, including affidavit of Ernest G. Johannes, Special Agent, Intelligence Division, Internal Revenue Service, for Search Warrant dated 9/26/62; Search Warrant with return of Ernest G. Johannes; and Inventory of seized articles.	
10/18/62	Motion and notice of motion for return of seized property and the suppression of evidence..	
"	Informal conference with court. (RET) Govt. to respond within 30 days to motion to suppress. Petitioners to file a brief in support of motion 10 days thereafter. Est. 2 days for hearing on the motion.	
11/16/62	Govt's answer to petitioners' motion for the return of seized property and the suppression of evidence.	
11/26/62	Petitioners' reply to govt's answer to motion for return of property and suppression of evidence.	
12/4/62	Memorandum of law relied upon by petitioners. Govt's brief in support of its answer to petitioners' motion for the return of seized property and the suppression of evidence.	
1/30/63	Petitioners' motion, with affidavit of Maurice J. Walsh, to extend time for 30 days (to 3/5/63) in which to file brief.	
2/1/63	Order extending time for filing petitioners' brief to 3/5/63.	
1/31/63	HEARING (KPG) on petitioners' motion to extend time for filing brief. Granted.	
4/9/63	HEARING (KPG) on Petitioners' motion for return of seized property and suppression of evidence held 4/9/63 and 4/10/63. Taken under advisement..	
4/18/63	Opinion of court, and order granting motion for return of property seized in the execution of the search warrant. Motion for suppression of the use thereof as evidence is denied without prejudice.	
9/14/64	Petition of Jennie Alioto, a/k/a Loretta Fischer, Frank Peter Balistreri, Peter Frank Balistreri, Joseph Balistreri, Benedetta Balistreri, Club 26, Inc., a/k/a Villa Venice, Carl Dentice, d/b/a Carl Dentice Phonographs, Joseph Maniaci, d/b/a Henri's Show Lounge, The Pub, Inc., a/k/a Milwaukee Tradewinds, Inc., d/b/a Gallagher's Steak House, Tower Tavern, Inc., Ben-Kay, Inc., d/b/a The Downtowner, Hotel Roosevelt, Inc., Badger State Boxing Club, Inc., Bonfire, Inc., and Melody Lane, Inc. for an order suppressing evidence in any trial and in any proceeding before the Grand Jury, and directing that a stenographic record be made of Grand Jury proceedings, with affidavit of Frank Peter Balistrieri, and exhibit.	
9/17/64	HEARING (KPG) on petition of Jennie Alioto, et al: Motion to suppress denied. Motion for record re grandjury granted.	
"	Order that the U. S. Atty. make a full stenographic record of all proceedings before the Grand Jury so far as petitioners are concerned.	
9/21/64	Transcript of 9/17/64 proceedings re petition of Jennie Alioto, et al.	
7/28/65	Motion of petitioners to suppress evidence, there now being a criminal proceeding pending in this court (Case No. 65-CR-9).	

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: October 6, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

[Handwritten signature]
Johnson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

On September 29, 1966, we advised the Attorney General of microphone coverage on Balistrieri and in the attached memorandum, Assistant Attorney General Mitchell Rogovin of the Tax Division, requests information regarding listening devices installed on the subject, who is scheduled for trial in an income tax case this month.

[Redacted] and any other persons connected with operations of various Balistrieri enterprises in Milwaukee.

Balistrieri is the La Cosa Nostra leader of organized crime activities in the Milwaukee area and controls all rackets in the area, taking his orders from underworld leader Sam Giancana of Chicago. We have investigated Balistrieri and furnished reports to the Department in an Anti-Racketeering case and on the basis of information that he was holding meetings of La Cosa Nostra members in his office at 2559 North Downer Avenue, Milwaukee, a microphone surveillance was instituted there on March 9, 1964, to cover these activities. Limited information was obtained and as a result the coverage was discontinued on June 3, 1965. None of the information received from the microphone was furnished to the Internal Revenue Service or was known to have been the basis of that service's investigation relative to Balistrieri.

REC-67 92-3116-411
~~In connection with Balistrieri's activities, we also had microphone coverage on [Redacted]~~

We conducted a bribery investigation of this in which the United States Attorney declined prosecution. Copies of reports in the bribery case were furnished to the Department and Internal Revenue Service.

Enc.

1 - Mr. DeLoach

1 - Mr. McAndrews

1 - Mr. Gale

1 - Mr. Leggett

6 NOV 7 1966

[Handwritten signature]
CONTINUED - OVER

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b7E

6 NOV 8 1966

JGL:tm 9/24/66

MAS)

6 NOV 8 1966

MAS)

Memorandum to Mr. DeLoach
Re: Frank Peter Balistreri

In addition, the source on [redacted] also furnished two further items of information of possible interest to Internal Revenue Service indicating [redacted]

[redacted] Both of these items of information were furnished to the Internal Revenue Service by our Milwaukee Office.

In an unrelated matter, we also had microphone coverage on the office of Dominic Frinzi, a hoodlum-oriented Milwaukee ~~WISC~~ attorney, who has in the past represented Balistreri, from April 22, 1963, through October 2, 1963. He was a close associate of leading Milwaukee hoodlums, including Balistreri, but coverage on him was established primarily in an effort to develop information in our investigation into the murder, January 7, 1963, of Anthony Biernat, Wisconsin juke box operator. This source provided only a few items of miscellaneous information relative to Balistreri, none of which was disseminated to Internal Revenue Service.

In his letter, Assistant Attorney General Mithell Rogovin asks to be informed concerning any conversations monitored with reference to persons connected with the operations of the various Balistreri business enterprises. Our coverage on Frinzi was made in connection with an entirely different matter and under no stretch of the imagination could Frinzi be construed as being connected with "the operations of the various Balistreri business enterprises."

In addition, in the present climate, the disclosure that we had microphone coverage on the attorney regardless of whether it was pertinent or not would only result in the Department volunteering this information to the court with resultant public embarrassment for the Bureau. It is pointed out that our Milwaukee Office, after a review of the Frinzi logs, has advised there is no conversation in these logs pertaining to Balistreri's tax case.

Logs reflecting information received from the microphone source on Balistreri have been forwarded to the Bureau by Milwaukee and are presently available for review by Department representatives.

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Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

Milwaukee has also submitted copies of pertinent airtels, letters and other communications containing information received from the coverage on [redacted] which can also be made available to Departmental attorneys, it being noted the logs were destroyed shortly after this source was discontinued.

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ACTION:

If you approve, there is attached a letter furnishing the Department requested details of the coverage on Balistrieri and Alioto and advising that the logs and other communications prepared from information received on this coverage are available at the Bureau for inspection by Department attorneys. It is also recommended that we take the position that Agents will not be made available to testify in connection with our coverage, in the event in camera inspection of Bureau documents is made by the court.

It is recommended that we do not volunteer information to the Department of the coverage on attorney Frinzi inasmuch as this installation was made in connection with another case and only minor information of an incidental nature was received over it relative to Balistrieri.

I Agree
JL

JW Jr
JW

JL

JW

I concur →

AS

I think we should

furnish all
information to
Program

- 14 - 7
Rewire memo
to Program
AS

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

court. As set forth in the docket, on 4/18/63 the court granted a motion for return of the property seized in the execution of the search warrant. However, the court stated that the motion for suppression of the use by the Government of the property seized as evidence was denied without prejudice.

Other than Criminal Docket # 65-CR-9 and miscellaneous Civil Docket # 16, the USDC Clerk could locate no other cases pertaining to the BALISTRIERI-_____ tax matter.

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In response to the items requested by Bureau phone calls referenced above, the following additional information is set out:

(1) A thorough review of the BALISTRIERI file in the Milwaukee Office indicates he was indicted by a Federal Grand Jury, EDW, at Milwaukee on 1/6/65, charged with one count of conspiracy in violation of Section 371, Title 18, USC, and on 2 counts of income tax evasion, section 7201, Title 18, USC, for the years 1959-60. This information is contained in the report of SA ALEXANDER P. LE GRAND at Milwaukee, dated 4/12/65.

File review further reflects that on 3/7/61 BALISTRIERI was served a summons by IRS, Milwaukee, to produce his books and records. On 3/17/61 BALISTRIERI appeared with counsel but without books and records, and refused to give testimony. It is noted that as of 7/21/61 there was no local, state or federal process outstanding for FRANK BALISTRIERI. This information is contained in a special summary report of SA JAMES E. MC ARDLE at Milwaukee, dated 7/26/61, page 46A.

(2) A review of logs regarding _____ which afforded coverage of DOMINIC H. FRINZI from 4/22/63 to 10/2/63, revealed no conversation between FRINZI and BALISTRIERI relative to the tax case of BALISTRIERI or otherwise.

b7E

- 2 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

However, on 5/21/63 source revealed that FRINZI

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It should be noted that the above conversation is not too clear and is set out above as closely as possible.

It should be noted that all the logs on [redacted] coverage were furnished to the Bureau by Milwaukee airtel to Bureau, dated 7/7/66 under the FRANK PETER BALISTRIERI caption.

b7E

- 3 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: October 7, 1966

Dawson ✓
DeLoach ✓
Mohr ✓
Nick ✓
Casper ✓
Callahan ✓
Conrad ✓
Felt ✓
Gale ✓
Rosen ✓
Sullivan ✓
Tavel ✓
Trotter ✓
Tele. Room ✓
Holmes ✓
Gandy ✓

Reference is made to my memorandum of October 6, 1966, concerning Assistant Attorney General Rogovin's request regarding listening devices installed on Frank Peter Balistrieri of Milwaukee, who is presently facing trial on income tax charges, as well as his secretary and any other persons connected with Balistrieri enterprises in Milwaukee.

In accordance with the Director's instructions, the memorandum to the Acting Attorney General has been revised so as to provide the Department with information concerning the coverage maintained by the Bureau on Dominic Frinzi, a Milwaukee attorney, on whom we had maintained electronic coverage in connection with another case, but who has been associated with Balistrieri.

The Frinzi logs, copies of which are being made available for the inspection of the Department, contain two references

[Redacted]

b7E

The other reference

[Redacted]

b7E

Enc. - Sent 10-11-66

REC-67

92-316-412

1 - Mr. DeLoach 1 - Mr. McAndrews
1 - Mr. Gale 1 - Mr. Leggett

AADS:tjm

(5) *fsl*

CONTINUED - OVER

6 NOV 7 1966

67 NOV 8 1966

Memorandum to Mr. DeLoach
Re: Frank Peter Ballistrieri

Investigation of Frinzi was initiated when it was learned through informants that Frinzi was a confidant of Italian hoodlums in the Milwaukee area. Two investigative reports containing no microphone information were disseminated to the Department.

ACTION:

There is attached a revised letter for transmittal to the Acting Attorney General in response to inquiry with respect to coverage maintained on Balistrieri and others connected with his operations.

P ✓ OK ✓
Hill Street
John Lewis

F B I

Date: 10/14/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL - REGISTERED
(Priority)

TO : DIRECTOR, FBI (92-3116) ATTN: SECTION CHIEF THOMAS J.
MC ANDREWS

FROM : SAC, MILWAUKEE (66-950) J U N E

SUBJECT : FRANK PETER BALISTRIERI,
aka
AR

OO: Milwaukee

Re Milwaukee phone call to Bureau and Milwaukee
teletype to Bureau, 10/14/66.

Enclosed for Bureau is one Xerox copy of Motion
to Suppress Evidence Obtained by Electronic Eavesdropping
and other Listening or Recording Devices, filed by MAURICE
J. WALSH, Attorney, in the Eastern District of Wisconsin,
on 10/14/66 in connection with tax case of captioned subject.
Also enclosed is the cover letter from subject's attorney
MAURICE J. WALSH, dated 10/13/66 to the USA at Milwaukee.

2/2
4 - Bureau (92-3116) (Encls 2) (AM-RM)
1 - Milwaukee (66-950)
CNR:sbt
(5)

ENCLG BUN

REC-67

O - 3116 - 413

OCT 17 1966
11-3Approved: J. P. M.
NOV 8 Special Agent in Charge

Sent _____ M Per _____

2 copies to U.S. MG: 10-14-66
Air Mail, Sp. Delivery.

MAURICE J. WALSH

ATTORNEY AT LAW

XXXXXXXXXXXXXX 105 W. Adams St.

CHICAGO 3, ILLINOIS

TELEPHONE DEARBORN 2-7376

October 13, 1966

Hon. James Brennan
United States Attorney
362 Federal Building
Milwaukee, Wisconsin

Attention: Franklyn Gimbel

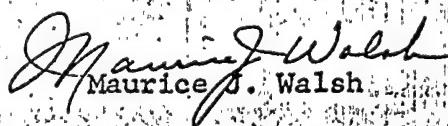
IN RE: U. S. v. Frank P. Balistrieri

Dear Sir: No. 65-CR-9

Enclosed is a copy of a Motion which I shall present to Judge Poos on Monday morning, October 17 at the opening of court.

I shall request a hearing on this Motion before the taking of evidence.

Respectfully,


Maurice J. Walsh

MJW:lb
Enclosure

RECEIVED

OCT 14 1966

United States Attorney
Eastern District of Wisconsin

ENCLOSURE

22-316-413

RECEIVED

OCT 14 1966

UNITED STATES DISTRICT COURT

EASTERN DISTRICT OF WISCONSIN

United States Attorney
Eastern District of Wisconsin

UNITED STATES OF AMERICA,

Plaintiff,

v.

CASE NO. 65-CR-9

FRANK PETER BALISTRIERI and
JENNIE ALICIO,

Defendants.

MOTION TO SUPPRESS EVIDENCE OBTAINED BY
ELECTRONIC EAVESDROPPING AND OTHER
LISTENING OR RECORDING DEVICES.

1. Now comes FRANK PETER BALISTRIERI by one of his attorneys, MAURICE J. WALSH, and moves the Court for an order suppressing for use as evidence any and all information, knowledge or conversations and leads emanating therefrom, which were overheard, learned of, or recorded in any manner by the use of electronic eavesdropping devices or other recording devices, in the investigation of all matters relating to this case or involved therein.

In support thereof, the defendant asserts:

1. The Petitioner respectfully represents that he has cause to believe that during the investigation of this case, premises occupied by him as private, personal office spaces were caused to be equipped by electronic eavesdropping devices by federal officers investigating the matters involved in the indictment herein and related matters.

25-516-413
ENCLOSURE

2. The reason for the defendant's belief is that on February 1, 1964, he moved into office premises at 2641 N. Downer, Milwaukee, Wisconsin, and that shortly thereafter, wood paneling was installed in the interior of this office as a wall covering and for decoration. Thereafter, this space was occupied by the defendant BALISTRIERI as an office for the transaction of his private business and affairs, in part.

On August 14, 1965, he discontinued use of this office, and the paneling which had a separate value, was removed. When removed, it was discovered by the defendant that an electronic eavesdropping device had surreptitiously and without knowledge of the defendant, been installed in a space between the wood paneling and the wall. The wires leading to this device were followed and led to a nearby telephone pole outside the building and could not be further traced.

This discovery was made upon the removal of the wood paneling for transfer by Carl Dentice, Frank Balistrieri, this defendant, and the defendant's son, Joseph Balistrieri.

3. Defendant's belief that electronic eavesdropping was engaged in by federal officers in the investigation of this case is further based upon the fact that one Ernest C. Johannes, a special agent for the Internal Revenue Service engaged in the investigation of this case, testified before

the Honorable Kenneth P. Grubb, Judge of the District Court for the Eastern District of Wisconsin, in miscellaneous cause No. 16 entitled Jennie Alioto and Frank Peter Balistreri v. the United States of America, which was a proceeding for an order suppressing evidence obtained under a search warrant issued upon the affidavit of the said Ernest Johannes, special agent of the Internal Revenue Service, and in the course of his testimony, said agent admitted that he had at times occupied an apartment opposite an apartment used by Jennie Alioto as a bookkeeping office, and through a hole bored in the door, had spied upon and watched the entrance to Jennie Alioto's apartment.

4. The defendant believes that such surreptitious surveillance is consistent with the use of the electronic eavesdropping device, and further states that it has been represented to him that the Internal Revenue Service has acknowledged, before a committee of the United States Senate, that eavesdropping devices were used in investigations in Milwaukee, and the Internal Revenue Service and the Department of Justice have admitted in the District Court for the Northern District of Illinois, and in the Supreme Court of the United States, that electronic eavesdropping devices for the overhearing of conversations and for telephonic interception, have been used by the Internal Revenue Service in the investigation of alleged tax violations, and have admitted that said agency and its intelligence service and

internal security service possessed such equipment.

WHEREFORE, it is requested that this Court hold a hearing and require and take the evidence of Ernest Johannes and other agents engaged in the investigation of this case, to determine whether they installed or were responsible for the installation and use of the device discovered by the defendant in office premises used by him and any other electronic eavesdropping or recording devices.

It is further requested that this Court enter an order suppressing for use as evidence any information, knowledge or leads emanating from such information and knowledge acquired by the use of the aforesaid devices and methods.

FRANK PETER BALISTRERI, Defendant,

By:

MAURICE J. WALSH,
His Attorney.

STATE OF ILLINOIS

COUNTY OF

FRANK PETER BALISTRERI, being duly sworn, under oath states that he has read the foregoing Motion and petition to suppress evidence, and that the allegations of facts and belief made therein are true and correct.

Subscribed and Sworn to
before me this _____ day
of _____, 1966.

UNITED STATES GOVERNMENT

Memorandum

TO : MR. TOLSON

FROM : C. D. DE LOACH

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: 10/17/66

1 - Mr. DeLoach ✓
1 - Mr. Gale
1 - Mr. Sullivan
1 - Mr. Wick
1 - Mr. M. A. Jones

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
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Holmes _____
Gandy _____

The Acting Attorney General called at approximately 10:45 a.m., Sunday morning, 10/16/66, and stated that he was somewhat concerned about captioned case in view of the fact that defense counsel had filed a motion to suppress the evidence. I told him this was not surprising inasmuch as both the defendant and the defense counsel had known that there was a microphone in this case. [redacted] stated that he had little knowledge concerning the judge who would try this case, however, he felt that inasmuch as this was rather a small judicial district, the judge might be somewhat strict. He stated that the Department had to file an answer to the motion to suppress and that the alternative was possibly to request permission from the court to discuss this matter in chambers. He stated the consideration was being given to file a motion to dismiss, however, he doubted that the Department would be successful. He also stated that a second alternative would be to get a continuance, however, he doubted this would be successful.

[redacted] told me that it of course would be very desirable to get continuance so that no decision would be made in this case prior to the ruling by the Supreme Court in the Black case. He stated that if the Supreme Court hears of an adverse decision in this case that Court will naturally be more severe in the Black case. He told me that the top heads of the Tax Division were having a meeting at that time and that he would advise me just as soon as some decision was made concerning the matter. He stated it might be that there would be a need for additional information from the FBI. I told him that we were ready to supply any information necessary at a moment's notice. I also indicated that it would seem that a continuance would be the best action to take at this time.

REC-67 91-3116-414
[redacted] told me that there was a definite need for further study in this matter. He thinks that the trial judge, if the Department is successful in requesting an audience in chambers, would consider a review of the logs on the basis of irrelevancy on the tax violation. He added however the defense counsel would necessarily have to be present. I told him this followed the line of reasoning in the Alderisio case in Denver wherein we had been quite successful.

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(6) MAY 24 1972

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DeLoach to Mr. Tolson memo
Re: Frank Peter Balistreri

[redacted] asked that I give the matter some thought and if I had any ideas to give him a call. He stated that he was thinking somewhat along the lines of sending the Departmental attorneys to Springfield without formal preparation. He indicated this would give them a basis for requesting continuance. He added however that the court would undoubtedly admonish the Government if this occurred. I told him that I could see no objections to this, however, the Departmental attorneys should not indicate a lack of preparedness on the basis that the FBI had not cooperated sufficiently. I stated the Department was well aware of the facts in this matter. He indicated that this would not be the case, however, the Tax attorneys did need additional time to study the entire matter.

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The Director was advised telephonically of the above-mentioned conversation.

[redacted] called me again at 4:00 p. m. the same date, Sunday. He stated the Departmental attorneys had to be in court in Springfield, Illinois, at 10:30 a. m., Monday, 10/17/66. He added that there were 4 or 5 questions that needed to be answered and that he would appreciate having the information prior to 8:00 a. m. inasmuch as the Departmental attorneys had to catch a plane at that time.

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[redacted] told me that the Department wanted to be certain that we did not have individual wiretaps on (1) Maurice J. Walsh, defense counsel in the captioned matter; (2) that the FBI had not had microphones on Milwaukee lawyers Eugene J. Koenen, [redacted]; (3) [redacted] stated the Department would like to know why the FBI had placed a microphone in attorney Dominic Frinzi's office. He stated it would be most important to ascertain if the principal reason for placement of this microphone was to cover Balistreri.

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In answer to this question I told him offhand that Frinzi had been involved with numerous hoodlums and that the purpose of this microphone was not to cover Balistreri. I told him this microphone had no relevance whatsoever to the Balistreri case. I mentioned that Frinzi was thought to have been involved in a gangland slaying, however, I necessarily would have to check the facts on this before giving him the final answer.

[redacted] asked that I also ascertain if microphone coverage had been on any other lawyers in this case. I told him I would check, however, offhand there had been no further coverage of individual specific microphones on other attorneys involved.

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DeLoach to Mr. Tolson memo
Re: Frank Peter Balistreri

[redacted] reiterated that Departmental attorneys would attempt to have the trial judge hold a hearing in chambers. At that time the logs on subject Balistreri [redacted] could be shown to the trial judge so that the relevancy question could be determined. [redacted] told me that the defense attorneys plan to indicate to the trial judge that hearings in chambers were absolutely necessary inasmuch as presentation of the logs in court would necessarily damage the defendant, Balistreri, because they portrayed him as such a low, unsavory character. [redacted] stated that the Departmental attorneys would ask the trial judge to take the Frinzi log himself and determine nonrelevancy. The Departmental attorneys will state that the Frinzi log has nothing to do with either the defendant or co-defendant.

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I asked [redacted] why it was necessary to expose the Frinzi log to the court. I stated that I personally felt that this was the Black situation all over again and, inasmuch as this particular microphone had no relevancy whatsoever to the Balistreri case, I could not understand why the Department was volunteering this information. [redacted] replied that defense counsel Walsh, although completely unsavory, was a very knowledgeable and capable attorney and undoubtedly would present a further motion calling for the expose¹ of additional microphones and logs. He stated this would be a "shotgun" request by defense counsel, however, in the event he did present such a motion, the Department would necessarily have to admit to knowledge of the Frinzi microphone. He stated that if the Departmental attorneys did not admit the existence of this microphone in the beginning, the results of admittance during the trial would be most disastrous.

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I asked [redacted] regarding the possibilities of dismissal in view of the fact that if all three microphones became known to the general public the results from the Black case would necessarily be bad. [redacted] replied that he doubted that the trial judge would dismiss merely on a motion for dismissal. He stated that some reason must be given, consequently, the admission of tainted evidence would be just as bad as if we went through the process of trial proceedings.

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The Acting Attorney General's secretary called me at 4:40 p. m., Sunday, 10/16/66, and stated that [redacted] would be out of his office for approximately two hours and in the event I received the information prior to his return, I should give it to either Departmental attorneys [redacted] their home telephone numbers were furnished. At approximately 5:50 p. m. I attempted to call [redacted] however, he was not at home. Neither was [redacted] Apparently they were both en route from their offices to their homes.

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CONTINUED....OVER

DeLoach to Tolson memo
Re: Frank Peter Balistreri

[redacted] returned my call within approximately 30 minutes. I told him that we did not and had not had a microphone installation on defense counsel Walsh. The same answer was given with respect to Milwaukee attorneys Koenen, [redacted]
[redacted] I told [redacted] that a microphone was placed in attorney Frinzi's office not for the purpose of covering Balistreri but inasmuch as there was considerable evidence pointing to the fact that a major gangland slaying might be solved in the b6 event information could be obtained as a result of hoodlums meeting in Frinzi's b7C office. I told him also that Frinzi's office was known as a meeting place for hoodlums. I further told [redacted] that while the Department had not given us the names of any further attorneys, we could safely indicate that there were no individual, specific microphones on any other attorneys in connection with this case. [redacted] thanked me for the above service. (These facts are being confirmed by memorandum to the Acting Attorney General today, 10/17/66).

The above action clearly demonstrated, contrary to Assistant Attorney General Vinson's thoughts, the fact that the FBI can obtain information rapidly concerning microphones and logs in an extremely fast manner. While AAG [redacted] has kept us completely advised concerning the Department's thinking b6 in this matter, it does appear that the Department is getting "spooked" once again b7C in connection with this case.

ACTION:

Mr. Gale should advise the Special Agents in Charge at Milwaukee and Chicago of the above facts and have them keep the Bureau constantly advised as to the results of trial proceedings.



UNITED STATES GOVERNMENT

Memorandum

TO : MR. TOLSON

DATE: 10/17/66

FROM : C. D. DeLoach

cc Mr. DeLoach
Mr. Gale
Mr. Sullivan
Mr. Wick
Mr. M.A.Jones

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Felt _____
Casper _____
Callahan _____
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Tele. Room _____
Holmes _____
Gandy _____

Acting AG [redacted] called at 2:35 p.m. today to state he had just heard from Assistant AG Mitchell Rogovin in Springfield, Illinois, in connection with the captioned matter. My memorandum of this morning reflected discussions over the weekend concerning this matter.

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[redacted] stated he wanted to let the FBI know that Rogovin was successful in getting the Trial Judge's permission to go into chambers in connection with this matter. Defense Counsel was also present. In chambers, Rogovin told the Judge that the Department of Justice had no objections to allowing Defense Counsel a review of the logs in the Balistrieri case and such information as was available concerning the microphone in the [redacted] case. Rogovin told the Judge that the information in both logs was completely irrelevant insofar as the charges against both Balistrieri [redacted] were concerned.

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While in chambers, Rogovin asked the Trial Judge if he could talk to him separate and aside from Defense Counsel. The Judge agreed. Rogovin then told the Judge of the microphone that had been placed on Dominic Frinzi. He assured the Judge there was nothing in the microphone log which would have any effect whatsoever on either Balistrieri [redacted] He urged the Judge to read the Frinzi log and after reading it to place the seal of the court on this log.

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According to [redacted] the Trial Judge expressed great appreciation for the Department's concern in connection with this matter and stated in view of the Department's forthrightness, he would take the Department's word and therefore would not find it necessary to read the log. He stated he would seal the Frinzi log and there would be no further reference to it.

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92-3116-415

6 NOV 7 1966

67 NOV 8 1966

Mr. Tolson

Rogovin and the Trial Judge then returned to chambers. The Judge at that time enjoined both the Departmental Attorneys and Defense Counsel not to reveal any information whatsoever concerning the logs on Balistrieri [redacted] outside of his chambers.

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[redacted] stated under the circumstances the Department had fared as well as could be expected. He stated he was somewhat relieved concerning the matter. The Judge, according to Rogovin, was superb in his handling of the matter. The Judge did not show any indication whatsoever of dismissing this case.

MAURICE 11152
While [redacted] was optimistic, he did say that Defense Counsel Walsh would have to be watched, inasmuch as he is a very unsavory yet able attorney. It may be that Walsh will find some other way in which to bring into trial proceedings a mention of the microphones on either Balistrieri [redacted]
[redacted] The Acting AG stated he would keep the FBI advised.

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UNITED STATES GOVERNMENT

NT

Memorandum

TO : MR. TOLSON

1 - Mr. DeLoach
1 - Mr. Wick
1 - Mr. Gale

DATE: 10/18/66

FROM : C. D. DE LOACH

SUBJECT: FRANK PETER BALISTRERI
ANTI-RACKETEERING

Tolson ✓
DeLoach ✓
Mohr ✓
Wick ✓
Casper ✓
Callahan ✓
Conrad ✓
Felt ✓
Gale ✓
Rosen ✓
Sullivan ✓
Tavel ✓
Trotter ✓
Tele. Room ✓
Holmes ✓
Gandy ✓

Assistant Attorney General Rogovin called at 3:40 p.m. this afternoon. He pointed out that hearings in captioned case were still proceeding in Springfield, Illinois. He mentioned that defense counsel Walsh, MAURICE J. a very unsavory individual, was not "running" from the Government in the least. To the contrary, Walsh has apparently decided to take as many risks as possible by hitting the issue of microphones head on.

Walsh of course has been enjoined by the court not to mention microphone coverage as such outside of chambers. Rather than mentioning such matters specifically, Walsh has, by cross examination, introduced into evidence the close liaison between the FBI and Internal Revenue Service (IRS) people. By doing this, he obviously hopes to confirm the fact, whether openly or not, that results from FBI microphones were furnished to IRS and that IRS built a case against Balistrieri on this point. Walsh has additionally included certain testimony regarding [redacted] which obviously came about from a review of the material produced as a result of the microphone results on [redacted]

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Rogovin is of the opinion that FBI representatives who monitored the microphones in the Balistrieri case will undoubtedly be called upon to testify concerning the results of such monitoring. He stated that there was of course a burden of proof upon the Government to show that the results of such monitoring were completely irrelevant to the tax violation in the Balistrieri case.

Rogovin asked that we furnish him the names and current locations of the five FBI personnel who handled the monitoring in this matter. I told him that testimony by these Agents would be most undesirable but in the event such testimony was necessary to prevent a mistrial, it would seem that sworn affidavits from these Agents would be far more logical than actual testimony. Rogovin replied that the Department might be able to get by with this and it was certainly worth the try.

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REC-67 92-3116-476
6 NOV 7 1966

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6 NOV 8 1966

DeLoach to Tolson memo
Re: Frank Peter Balistrieri

I have asked Mr. Gale's division to furnish a communication to the Department, attention Tax Division, this afternoon relative to this matter. We will go on record at this time indicating that it is preferable to furnish sworn affidavits rather than actual testimony by the Agents themselves.

ACTION:

For record purposes.

b ✓ rec

In any event I want true &
full facts presented. I
want no coaching of our
Agents nor of any other Agent.
B

UNITED STATES GOVERNMENT

Memorandum

TO : MR. TOLSON

FROM : C. D. DE LOACH

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

1 - Mr. DeLoach
1 - Mr. Wick
DATE: 10/18/66
1 - Mr. Gale
1 - Mr. McAndrews

Tolson
DeLoach
Mohr
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Tele. Room
Holmes
Gandy

Assistant Attorney General Mitchell Rogovin called me at 7:00 p.m., 10/18/66, to advise that U. S. Attorney Brennan in Milwaukee had been in touch with our Milwaukee Office to alert three of our current personnel, who monitored a microphone in captioned matter, that it would probably be necessary to have their testimony on Wednesday, 10/19/66.

Rogovin wanted to know if the FBI would make a decision as to whether or not our personnel could testify. He stated that they were badly needed at trial proceedings in view of defense counsel Walsh attempting to introduce testimony that "tainted evidence" had been utilized by Internal Revenue in building the tax violation charge against Balistrieri.

I told Rogovin we frankly considered it very unwise for our people to be placed on the witness stand, particularly in view of the manner in which the microphone on Balistrieri had been installed. I told him however that testimony by our personnel was a decision for the Department to make but that we definitely wanted the Department to understand the inadvisability of such testimony.

Rogovin told me that he personally felt that the trial judge, who was most cooperative to the Government and who had great admiration for the FBI, would not allow unreasonable questioning by defense counsel, specifically in connection with the manner in which the microphone was installed. He stated in the event this matter came up, the Department would immediately admit trespass and this would undoubtedly foreclose further questioning in this regard.

REC-67 92-3116-417

Rogovin stated that he felt that our personnel, including four former Agents, would be needed on Wednesday, 10/19/66. I stated that we, of course, had control over our own personnel but had no control over those Agents who were resigned or retired.

Rogovin stated that the Departmental attorneys would consult with the trial judge prior to proceedings tomorrow morning, 10/19/66. He stated that he felt that there would only be two lines of questioning. One line

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6 NOV 7 1966
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DeLoach to Tolson memo
Re: Frank Peter Balistrieri

would concern the extent of cooperation between the FBI and Internal Revenue. Rogovin indicated that the FBI personnel would find it only necessary to point out that dissemination is made by the FBI to Internal Revenue, like any other Federal agency, in matters of mutual interest. The second line of questioning will concern whether or not all matters are taken down during the monitoring of microphones. The answer to that of course is that only the pertinent items are recorded.

I told Rogovin that if the questioning was confined to these two lines of possibilities, then of course our personnel would have little difficulty; however, a "Pandora's box" would be opened in the event defense counsel was allowed great latitude, particularly in connection with the manner in which the microphone on Balistrieri was installed. Rogovin again reiterated that trespass would be admitted by the Government and he felt sure that questioning along this line would be forestalled.

Rogovin told me that he was personally concerned about one matter. He then mentioned that from the nature of the material on the [redacted] and Balistrieri matters, the defense counsel could well infer that there had been a burglary committed by Bureau Agents. He stated that the Department would like to know if this was the case. I told Rogovin that he should know very definitely that there was a burglary involved and that this was all the more reason that it was inadvisable for our personnel to testify. I asked him, as I had earlier in the afternoon, if sworn affidavits by our personnel would not suffice. He answered that the Department had thoroughly considered this matter and that the Acting Attorney General, along with the Tax Division officials, strongly felt that neither the defense counsel nor the trial judge would permit sworn affidavits as a substitute for actual testimony.

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Rogovin stated that the defense counsel might raise the issue of cooperation received from the telephone company in Milwaukee. He further noted that there was a line leading to a telephone pole in the case of one microphone installation. I told Rogovin that we had received cooperation from the telephone company and that this was a "leased-line" microphone. He stated that here again the Department could forestall questioning by admitting trespass and not bring the telephone company into the matter. He mentioned that this fact would be brought to the judge's attention prior to trial proceedings tomorrow morning, 10/19/66.

Rogovin stated that he was very confident about the outcome of this situation inasmuch as the trial judge was very cooperative and particularly had a very healthy respect toward the FBI. He stated that the third incident,

it would be well if *↓*
Rogovin had that same *↓*
CONTINUED.....OVER

DeLoach to Tolson memo
Re: Frank Peter Balistrieri

the microphone on attorney Frinzi, was not to be considered. Rogovin indicated that he would of course await word from us prior to calling our people for testimony. I told him that if the Department felt that our people were absolutely needed then we of course had no alternative, however, I wanted to make certain that he understood the disadvantages involved.

The Director was advised telephonically of the above facts.

At his instructions, I called Rogovin back and told him that our people would, at the Department's request, be permitted to testify. I stated this of course was restricted to the three employees currently within our supervision and that we had no control whatsoever over the four who had either retired or resigned. I stated that I had planned to issue very specific instructions, following consultation with the Director concerning this matter, that our people were to be extremely forthright and honest in their testimony. I mentioned that this would be the case despite the outcome of the trial. I told him that our testimony would be given in this manner and the chips would fall where they may.

I further stated that we were not going to coach our people and would of course, under no circumstances, ask them to do anything other than to testify in a forthright manner. I told Rogovin that it was most unfortunate that this matter had arisen at this time, particulary in view of the pending decision regarding the Black case, however, we had no alternative but to testify as I had previously mentioned.

After talking with Rogovin, I called SAC Paul Fields in Milwaukee and specifically advised him of the Director's instruction, i. e., that our people would tell the absolute truth and that we would not avoid any outright collision in this case. I further told SAC Fields that our people were not to be coached but were to answer questions in a forthright, honest manner. I further stated that in the event the question was raised as to the authorization of the microphone in the Balistrieri [redacted] case, our people should of course give the truthful answer that such installations were made at the authorization of the Attorney General. I further instructed SAC Fields to call the Springfield Division and to reiterate these instructions to the SAC of that Division.

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ACTION:

For record purposes. ✓

R

JMC

UNITED STATES GOVERNMENT

Memorandum

TO : MR. TOLSON

FROM : C. D. DeLoach

SUBJECT: CONFERENCE IN ACTING ATTORNEY
GENERAL'S OFFICE, 10/18/66,
re NATIONAL CRIME INFORMATION CENTER

DATE: 10/18/66

cc Mr. DeLoach
Mr. Gale
Mr. Wick
Mr. Rosen
Mr. Sullivan
Mr. M.A.Jones

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
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Gandy _____

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

With the Director's approval, Special Agent Jerome Daunt and I went to the Acting AG's office at 10 a.m. this morning to brief him, at his specific request, regarding the National Crime Information Center.

Prior to the briefing it was noted that the Acting AG was holding a meeting in his office of Assistant AG Mitchell Rogovin of the Tax Division, [REDACTED] of the Tax Division, and Assistant AG Vinson of the Criminal Division. Upon being notified by his secretary that Mr. Daunt and I were waiting to see him, the Acting AG came out to the reception room and stated he was discussing the Balistreri case with Rogovin and other officials. He asked that I join them.

Rogovin recited the same facts as mentioned in my memorandum of 10/17/66, which reflected a call from the Acting AG who wanted the Director to know of action taken by Rogovin in Springfield, Illinois on that date. During the conference a number of points were raised which should be made a matter of record in FBI files.

Rogovin asked me specifically if the FBI would be able to advise the Department, without any delay, of the fact that certain individuals upon whom microphones had been placed might on occasion have been talking to various attorneys who had given legal advice to the subjects in question. I told Rogovin and the group that Vinson had already raised this question, in needless correspondence to the FBI, and that as a matter of fact we had proven the rapidity with which we could answer such questions by only taking approximately 1 3/4 hours to answer the Acting AG's questions on Sunday, 10/16/66, concerning the Balistreri case. I turned to Vinson and stated that we,

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67 NOV 9 1966

Mr. Tolson

of course, had a cross-reference index which made it possible for us to answer such questions by the Department without any delay whatsoever.

Both Rogovin and Vinson stated they had run off a list of cases in which the subjects were either currently under indictment or consideration was being given to indicting such subjects, and that this list would be forwarded to the FBI in the near future. They indicated this would give the FBI an opportunity to advise the Department whether we had had microphones on the individuals in question.

I told the group that we, of course, were prepared to answer the Department and that, very frankly, it was good that such lists were being furnished, inasmuch as originally it had appeared that Vinson was expecting the FBI to furnish the answers to such matters without giving us available names.

(The Director's instructions to have a Master Index prepared constitute, of course, a master stroke, inasmuch as we will now be in a position to handle the list in question without any delay. The Master Index is due at FBI headquarters by the last day of this month.) *we should also check with the AG in each instance.*

Rogovin brought up the matter of the microphone on the attorney by the name of Frinzi in the Balistreri case. He stated that, although this microphone log now had the seal of the court upon it, nevertheless the court might later indicate that there was a deliberate invasion of attorney-client relationship on the part of the Department and the FBI, in view of the microphone. I stated there was no basis for such an assumption, inasmuch as the placement of the microphone upon Attorney Frinzi had nothing to do with the Balistreri case whatsoever.

Vinson replied that, nevertheless, the courts usually, despite the specific purpose of the microphone, held that there had been a deliberate invasion of attorney-client relationships. This, of course, gave me an opportunity to more or less drop a bombshell in the group. I told the Acting AG and the other Department officials that it seemed all that was needed in this particular instance was to place an agent on the stand who could testify to the fact that Former AG Bobby Kennedy had specifically asked for a "surveillance" on Attorney Frinzi, as a result of the gangland slaying of one Anthony Biernat. I stated the

CONTINUED-----OVER

Mr. Tolson

Department might give consideration to testifying to this fact, inasmuch as this would definitely prove that the placement of this specific microphone had nothing to do with the Balistreri case.

The Department people looked at each other without making any reply. This subject was dropped immediately.

One other point of interest was raised. At the conclusion of the conference I mentioned that the Tax Division seemed to be making capital of the fact that the FBI on occasion had sent communications concerning microphones to the Criminal Division, yet the Tax Division claimed it had not been notified simply because the FBI had failed to also include the Tax Division in its dissemination. I stated this was claimed in the Black case and that apparently the Acting AG might desire to introduce Rogovin to Vinson so that they would be able to communicate with each other.

Vinson replied that the FBI communications in some instances did not identify the source as a microphone. I told him that, while a source was not specifically identified, it would seem that any experienced law enforcement officer or attorney, by virtue of reading the communication, could ascertain that a technical surveillance or microphone had been used. He stated this had not been true in his case. I told him I agreed with this; however, if there was any question concerning any of our reports, the Department should not hesitate to get in touch with the Bureau concerning the matter.

Also after several weeks in 2. V. we have to put in
I also mentioned that the question of the FBI furnishing "tainted" evidence to Internal Revenue was another matter that should be considered, inasmuch as in numerous instances the results of microphone coverage had been furnished to a division of the Department and the Department had, in turn, disseminated such information itself to Internal Revenue. Vinson stated this was done simply because the Department had not recognized the FBI sources as being microphones. I told him that here again if there had been any question, the Department should have gotten in touch with the FBI. I stated that he, of course, could not expect us to identify our sources in delicate cases, inasmuch as we had no idea what the Department would do with such information after it got to them.

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CONTINUED-----OVER
↓

Mr. Tolson

The meeting ended up on a harmonious note; however, the above points were certainly well understood by those present.

Following this meeting, Section Chief Daunt briefed the Acting AG and Messrs Vinson, Peterson, Braun, [redacted] and Sessions, for approximately 25 minutes, on the National Crime Information Center. Daunt did an excellent job and it was quite obvious that those present respected his knowledge and the tremendous advances made by the FBI in this regard. Acting AG [redacted] expressed appreciation and stated he desired to mention to the Director the fact that he wanted to personally be of all possible assistance to the FBI in this important undertaking.

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ACTION:

For record purposes.

/ P V

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: October 19, 1966

FROM : J. H. Gale

June

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson ✓
DeLoach ✓
Mohr ✓
Wick ✓
Casper ✓
Callahan ✓
Conrad ✓
Felt ✓
Gale ✓
Rosen ✓
Sullivan ✓
Tavel ✓
Trotter ✓
Tele. Room ✓
Holmes ✓
Gandy ✓

On the memorandum from Mr. DeLoach to Mr. Tolson dated October 18, 1966, the Director instructed that the memorandum pertaining to the authorization of the Balistrieri microphone be sent to him.

There are three microphones involved in this situation and attached are copies of the communications which authorized the microphone coverage.

ACTION:

Submitted pursuant to the Director's instructions.

Enc.

✓ 1 - Mr. DeLoach
✓ 1 - Mr. Gale
✓ 1 - Mr. McAndrews
✓ 1 - Mr. Leggett

McA:tjm
(5)

REC-67

6 NOV 7 1966

3 ENCLOSED

6 NOV 21 1966

6 NOV 21 1966

I can't find but
one authorization
by me & that was
on Mar. 3, 1966 for
Balistrieri. The other
two (prior) were approved
by Tolson. J.P.

Mr. Tolson
Mr. DeLoach
Mr. Mohr _____
Mr. Wick _____
Mr. Casper _____
Mr. Callahan _____
Mr. Conrad _____
Mr. Felt _____
Mr. Gale _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

October 19, 1966

MR. TOLSON:

RE: FRANK PETER BALISTRERI
ANTI-RACKETEERING

In my memorandum of 10/18/66, which reported the results of the conference in the Department concerning the captioned matter, I set forth the fact that the question had been raised by Assistant Attorney General Mitchell Rogovin to the effect that defense counsel in captioned case might attempt, in some manner, to bring out that there was a deliberate attempt on the part of the FBI to invade attorney-client relationship in view of the establishment of a microphone on an attorney by the name of Frinzi.

I told Rogovin at the time that this of course would be a false assumption inasmuch as the microphone on Frinzi had been placed in an attempt to ascertain information regarding the gangland slaying of one Anthony Biernat. When Rogovin and Vinson persisted in their line of reasoning, I pointedly told them that if they desired to drive home the fact that the microphone on Frinzi had no connection with Balistrieri, they should simply place FBI testimony in the record that the microphone on Frinzi came about as a result of a request from the then Attorney General, Robert Kennedy. Rogovin and Vinson, as well as the other Departmental representatives present, dropped this matter immediately. *PL*

We did not have a specific request for a microphone per se from Bobby Kennedy. We did have a direct request for investigation of the gangland slaying of Anthony Biernat from Bobby Kennedy. This is set forth very clearly in Bureau files. Former Assistant Director Evans took this request from Bobby Kennedy. We objected strenuously inasmuch as this was not a matter within FBI jurisdiction. Kennedy insisted that we handle the matter and attempted to override any and all objections that we made. In other words, he very definitely put us into this case despite the fact that we had no business getting into it. *92-316-449*

REC-67

I felt, consequently, that despite the fact that he did not make a specific request for microphone installation, he was definitely responsible for our entry into this non-FBI case and therefore, under the rules of general

⑥ DD/Mar 24 1972
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67 NOV 8 1966

CONTINUED..... OVER

Informal memo, DeLoach to Tolson
Re: Frank Peter Balistreri

authorization by the Attorney General, he should also be held responsible for any actions with respect to a microphone. We have a very strong memorandum in the file with respect to Kennedy insisting that we handle this case. It was obvious that political pressure had been brought on him to get us into this matter.

In view of the above facts, I do not feel that I misled the Departmental people, but to the contrary think that I stopped a potential embarrassing line of inquiry and caused them to drop this subject without further deliberation. I therefore feel that we should stick to this line of thought in the event the point is raised again.

ACTION:

This memorandum is written simply for the Director's information in view of the fact that this point might be raised again. In view of the manner in which the Department rapidly backed off and dropped this subject, I feel secure, however, that the point will not be raised again.

RESPECTFULLY,

C. D. DE LOACH

Evans certainly failed
to properly protect FBI
interests. Please see
memo which I approved
authorizing this microphone.

Frank Peter Balistreri
DeLoach
10-19-66
MCH

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: October 19, 1966

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In connection with memoranda from Mr. DeLoach to Mr. Tolson dated October 18, 1966, relating to developments in the income tax trial of Milwaukee hoodlum Balistrieri, and conversations in this regard with Mitchell Rogovin, Assistant Attorney General, Tax Division, there is attached for approval a proposed letter to the Acting Attorney General.

This letter sets forth information as to the present whereabouts of former Bureau personnel who have retired and who have knowledge concerning monitoring of our prior microphone coverage of Balistrieri and associates. It also sets out in accordance with Mr. Rogovin's request the fact that three individuals currently employed by the Bureau who have similar knowledge will be available in Springfield, Illinois, on the morning of October 19, 1966, to offer testimony concerning their knowledge of this coverage. Rogovin had requested the whereabouts of these specific Bureau personnel and these specific former personnel.

The letter to the Acting Attorney General points out that while we have no control over our former personnel, our current personnel will testify in a straightforward, forthright, open fashion regardless of the consequences which might accrue in the form of adverse publicity to the Bureau and Department.

It has been carefully considered whether it would be better to have the Department drop this case rather than subject the Department and the Bureau to adverse publicity concerning microphone coverage but the Department showed no inclination to do this and, therefore, if we insist on such a course of action it unquestionably would put the Department and

Enc. sent 10-19-66

Re - 316-420

1 - Mr. DeLoach
1 - Mr. Gale

1 - Mr. McAndrews
1 - Mr. Leggett

McA:tjm
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67 NOV 8 1966

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

Internal Revenue Service in a position of stating that action to terminate this litigation was prompted by Bureau's request. It could well be the Department's rather adamant position to proceed with these hearings and this litigation regardless of consequences could well be a power play by Rogovin, now of the Department, but who formerly was with Internal Revenue Service to press Internal Revenue Service cases regardless of the consequences.

ACTION:

There is attached for approval an appropriate letter to the Acting Attorney General indicating our current personnel are being made available for straightforward, forthright testimony in this matter.

X ✓ 2/8
JGD
OK
H

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. TOLSON

DATE: October 19, 1966

FROM : C. D. DeLoach

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

"June"

Mr. Gale and I met late this afternoon with Assistant Attorney General Mitchell Rogovin, Tax Division, concerning developments in captioned matter. Also present at this conference were Attorneys [redacted] of the TAX DIVISION.

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According to Rogovin, retired Special Agent John Holtzman did not voluntarily testify concerning twentythree other employees who monitored microphones in this case. The defense questioned him concerning this matter in view of the fact that the logs clearly indicated the names of these employees. The Department had subpoenaed six of these employees as they felt this would be sufficient at this time for the purpose of instant hearing.

During the course of Holtzman's testimony, the defense counsel inquired concerning whether there had been a trespass, breaking and entering involved in instant matter. Holtzman did not answer this question and eventually stated that if he had to answer this question, he would take the Fifth Amendment rather than answer same. Rogovin advised that the Judge thereupon recessed the hearing and the matter was discussed in chambers with the Government and defense attorneys. The Government attorney pointed out to Maurice Walsh, defense attorney, that Holtzman was now a magistrate in Peoria, Illinois, and that this question was not only embarrassing but not particularly relevant in view of the fact that the Government admitted trespass. Walsh thereafter consulted with Balistreri and Balistreri agreed to withdraw this question.

Rogovin further stated that they were considering entering into an agreement with the defense counsel to have the conspiracy aspects of this case dismissed in the event that the defense counsel agree not to raise any further questions concerning invasion of privacy. Rogovin advised that this has not yet been completely resolved. No observations were made to Rogovin as to the course of action the Department should take.

1 - Mr. DeLoach

1 - Mr. Wick

1 - Mr. Gale

55 JUL 1966 MR. McANDREWS

CDD:msm

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McAndrews

St. J.

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PERS. REC. UNIT

Memorandum to Mr. Tolson
RE: FRANK PETER BALISTRIERI

Rogovin advised that if the conspiracy aspects were dropped, undoubtedly no more Bureau personnel would be heard in this case but the chances for successful prosecution would be greatly lessened.

Rogovin stated that the question concerning whether the telephone company had been of cooperation to the FBI with respect to the establishment of leased lines had been raised by the defense. Rogovin requested that the FBI contact the telephone company in this regard and determine the name of the individual who could testify in the judge's chambers concerning any cooperation rendered to the FBI. I advised Rogovin that it would be more proper for the United States Attorney to contact legal counsel of the telephone company in this regard. Rogovin advised that he agreed and he forthwith asked United States Attorney James Brennan to make this contact and Brennan advised that he would immediately do so. [redacted] stated that he did not feel that Walsh could institute a civil suit against the telephone company as was done in Las Vegas inasmuch as there is no invasion of privacy statute in Wisconsin.

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I advised Rogovin that we were getting the answers to his previous questions, i.e., exact number of leased lines used in this operation and whether such lines went directly to our local office.

ACTION:

For Director's information. This matter will be closely followed and you will be advised of future developments.

P JHG ✓ AHS
I still don't know why Dept starts cases where microphones have been used when all they have to do is to check info & 1st to ascertain such usage. K

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Tolson

DATE: 10/19/66

FROM : C. D. DeLoach

cc Mr. DeLoach
Mr. Gale
Mr. Wick
Mr. McAndrews

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson
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Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

Assistant AG Mitchell Rogovin, Tax Division, called at 4:15 p.m. today to advise concerning developments in captioned matter.

In the trial at Springfield, Illinois, two witnesses testified during the morning and afternoon. A Departmental representative named Barnes testified briefly [REDACTED].

Secondly, a retired Special Agent, John Holtzman, according to Rogovin, testified in a very candid, frank, honest manner. Rogovin stated, however, that Holtzman did leave some rather serious doubts in the record which would necessarily have to be taken care of.

According to Rogovin, Holtzman testified that 23 other employees monitored microphones in this case, over and above his own assignment of monitoring. I interrupted Rogovin at this point to ask him if Holtzman had voluntarily given such information in testimony, or had a specific question as to the number of monitoring employees been raised by Defense Counsel. I told Rogovin I also would like to know whether the Government attorneys had objected to such a line of questioning if, in fact, such a question had been raised by Defense Counsel. Rogovin replied that he did not know the answer to these questions, but would attempt to get the answer for me immediately.

(We are calling Milwaukee to get the answer from our office there. We, of course, were aware that there were 22 employees involved in monitoring, but the Department had only previously been asking about six of these employees. It would, of course, be most disadvantageous to the Bureau to have 22 of its employees paraded in court, testifying concerning this matter.) The number of 22 employees was received from our Milwaukee office.)

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37
I understand why such a large
number (22) were used. *92-3185422*

COPY SENT TO MR. TOLSON

6 NOV 7 1966

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Mr. Tolson

Another question asked of Former Agent Holtzman was "Did the FBI invade the premises of other people involved in this case?" The Government Attorneys immediately objected to this question raised by Defense Counsel. Rogovin stated the argument presented by the Government Attorneys eventually caused the Defense Counsel to withdraw the question. The Defense Counsel, however, went on to raise another embarrassing question, i.e., "Is the FBI in a position to produce communications relative to the establishment of leased lines?" Rogovin stated that, by raising this question, Defense Counsel obviously wanted to find out if all leased lines went from the microphones in question to the local FBI office, or did some of the lines go both to the FBI office and to other monitoring stations.

Rogovin stated he would appreciate having an answer from the FBI with respect to this question, himself. He also told me that the Government Attorneys immediately objected to this line of questioning and eventually indicated to Defense Counsel that the Government would be willing to dismiss the conspiracy count of the indictment if Defense Counsel would agree to not raise any further questions concerning invasion of privacy. Defense Counsel agreed to this stipulation, but stated that one question would be held in reserve and could not be made a part of the agreement. This question concerned whether the telephone company had been of cooperation to the FBI in connection with the establishment of leased lines.

Rogovin stated that the only way to handle this matter would be to ask that the telephone company have an employee testify, in the judge's chambers, concerning any cooperation rendered to the FBI. He stated the judge would prevent the telephone company from being embarrassed in open court.

Rogovin asked that we furnish to him, as expeditiously as possible, the answer to the question regarding the location to which leased lines were directed in monitoring operations, i.e., whether or not all such lines went directly to the local FBI office or to this office and other locations. He also asked that he be furnished, on an expeditious basis, the exact number of leased lines used in this operation.

We are getting the answers to the above-mentioned questions for the purpose of furnishing such information to the Department.

I don't know why Dept. ~~proceeds with cases in which no~~ ~~microphones have been used~~ ~~it looks to me as if Dept. is constantly placing J.B. on trial instead of ~~should have~~~~

FBI

Date: 10/20/66

Transmit the following in .

(Type in plaintext or code)

AIRTEL

AIR MAIL REGISTERED MAIL

(Priority)

TO: DIRECTOR, FBI
FROM: SAC, MILWAUKEE (66-950)
SUBJECT: FRANK PETER BALISTRIERI
AR

JUNE

Re MI telephone calls to Bureau and Bureau telephone calls to MI
10/18/66 and 10/19/66.

On the evening of 10/18/66 retired SA ALEXANDER P. LE GRAND telephonically contacted SAC, Milwaukee to advise he and retired SA RICHARD C. THOMPSON had been requested to appear 10/19/66 at Springfield, Ill. and the two were departing by automobile that night for Springfield. LE GRAND just wanted to check with the office as to any objection from the Bureau to their appearance. He was advised that their appearance as retired FBI personnel is in the hands of the USA and they should resolve their appearance with the USA. LE GRAND advised they would appear and, if called upon, would testify in a straightforward, truthful manner and handle themselves as former FBI agents.

Attempts to contact USA JAMES B. BRENNAN concerning previously authorized travel of SAS JAMES E. MC ARDLE and [REDACTED] and SE [REDACTED] to Springfield for testimony were unsuccessful and stops were left for USA BRENNAN to contact SAC, Milwaukee. USA BRENNAN was contacted at approximately 6:30 a.m. 10/19/66 and was advised that above Bureau personnel would reach Springfield about 10:39 a.m. that morning.

Review was made a.m. of 10/19/66 concerning data furnished to the Dept. in the [redacted] case, including communication dated 10/28/61 referring to information re [redacted] including data re IRS matters. IRS had obtained warrant and had seized this information from [redacted] along with other evidence. IRS had attempted to incorporate this material in [redacted]

(3) Bureau AM RM
1-Milwaukee

PHE:alt
(4) ~~Cysteine~~

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Approved:

Approved: 1/17/13
NOV 9 1986 Special Agent in Charge

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Date:

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(Type in plaintext or code)Via _____
(Priority)

MI 33-950

information presented to a Federal grand jury and the information had been suppressed. Current indications were that questions would be raised by the defense in the tax case in Springfield concerning this information. It was expected that retired SA JOHN A. HOLTZMAN might be questioned in this area. Accordingly, after discussing this information with the Bureau, USA BRENNAN was contacted at Springfield and it was fully discussed with him. It was emphasized that this information is not pertinent in current proceedings inasmuch as it was suppressed before the grand jury previously in the IRS case. It was pointed out to him emphatically that USA BRENNAN and his staff should immediately and most vigorously oppose any attempts by the defense concerning questioning of this information in view of its prior suppression and non-pertinence in the present matter. USA BRENNAN advised he was aware of this information, appreciated the reminder concerning its prior suppression and advised that the approach noted above would most certainly be taken concerning any questions pursued along these lines. He advised he would do his best to keep SAC, Milwaukee advised concerning developments in this regard.

Pursuant to call from Bureau, review of available material was made afternoon of 10/19/66 as regards, (1) number of lease lines involved in BALISTRERI [redacted] and DOMINIC FRINZI cases, and (2) from what location and to what location did lines extend. Review confirmed that there was one (1) lease line utilized in each of BALISTRERI and FRINZI cases and that no lease line was utilized in [redacted] case. The lease line in BALISTRERI case extended from 2559 N. Downer Ave. to Milwaukee Office. Line in FRINZI case extended from his office, 151 W. Wis. Ave., to Milwaukee Office. In [redacted] case no lease line was utilized as this was a radio microphone monitored from a receiver located in apt. 403 at 1600 N. Prospect Ave. [redacted]

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During the afternoon of 10/19/66 SA [redacted] telephonically advised from Springfield that he had learned from Departmental Tax Division Attorney [redacted] that

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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retired SA JOHN A. HOLTZMAN had taken the stand and had been questioned as to whether he personally had made any electronic installations or participated in the trespassings concerning [redacted] or BALISTRIERI installations. HOLTZMAN refused to answer the question after the court inquired as to whether he understood the question, at which point a recess was called until after lunch. According to SA [redacted] information from [redacted] during the mid-day period reflected a discussion was had between the Departmental lawyers and the defense and an arrangement was proposed in which the Govt. would drop count #1 of the indictment (conspiracy) and on the other side no further inquiry would be made by the defense concerning the trespass and the Govt. would admit that lines were used from the above two locations which went only to the FBI office, through use of Telephone Co. lines. Under the arrangement the defense would not make trouble for the Telephone Co., such as a civil suit or procedures of that nature.

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According to SA [redacted] USA BRENNAN and others were discussing this arrangement with the Dept. for approval. Therefore, the active FBI personnel will be held over until the situation was resolved and the retired FBI personnel would also be held, and Mr. HOLTZMAN had already been excused.

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Subsequently, on 10/19/66, pursuant to Bureau telephonic inquiry re information received that retired SA HOLTZMAN had possibly given an approximate number such as 24 as to number of Bureau personnel participating in electronic surveillances in instant matter, action was taken to resolve whether or not HOLTZMAN actually did state a specific number of Bureau employees involved and also whether he volunteered such information or same was elicited from him by questioning of defense counsel. SAC, Milwaukee telephonically discussed this matter with USA BRENNAN at Springfield who advised that HOLTZMAN had not stated a specific figure but that the questioning had arisen when Attorney WALSH referred to a document recalled by the USA as a log and queried HOLTZMAN concerning the name appearing at the bottom of the log. As to the significance of the name, WALSH elicited from HOLTZMAN that the name would indicate that individual was participating in the

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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coverage and would have access to the information. WALSH indicated in court, according to USA BRENNAN, that he had assembled 28 names concerning this and similar material. USA BRENNAN stated WALSH was trying to make the point that a number of personnel had access to the coverage information and could have provided same to IRS. Therefore, the Govt. could not easily say that IRS did not receive assistance through this medium.

USA BRENNAN advised that HOLTZMAN was asked how many FBI personnel would have been involved and stated he did not know prior to WALSH bringing out the alleged number of personnel involved. USA BRENNAN stated definitely that HOLTZMAN did not provide any specific figure.

USA BRENNAN advised they were discussing the situation with the Dept. He stated they do not want to call the active SAs as the judge has indicated he will make them testify re individual participation in trespass activities since this would affect the credibility of the witness. USA BRENNAN also noted that they may ask the Telephone Co. for records concerning any lease lines which may have a connection with instant case. He stated they did not desire that this information be brought out openly in court but might have to be discussed with the defense counsel in chambers.

In addition to above conversation with USA BRENNAN re number of FBI personnel connected with coverage, re-confirmation of advice previously furnished to Bureau was made concerning the number of FBI personnel listed on logs or other material in the [redacted] and BALISTRERI cases as being connected with the coverage. This review confirmed that only 22 people were involved. These were 20 agents, 1 clerk and 1 SE, it being noted, however, that 2 of the currently listed SAs, [redacted], were actually clerks at the time they participated. The other clerk listed was [redacted] who resigned as a clerk. The above, of course, pertains to BALISTRERI. Personnel connected with [redacted] coverage are recalled by current SAs as retired SA JOHN A. HOLTZMAN, SA ALBERT B. KNICKREIM and SA [redacted]. As to FRINZI coverage,

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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Date:

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(Type in plaintext or code)Via _____
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MI 66-950

retired SA HOLTZMAN initialed the daily summaries and SA [REDACTED] and SE [REDACTED] helped with daily summary from tape recordings, such tapes having been destroyed.

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Pursuant to Bureau inquiry on 10/19/66, determination was made from available records in Milwaukee Office that the names of the lessee on apt. 403 (FBI coverage apartment) at 1609 N. Prospect Ave.

[REDACTED] and the name under which [REDACTED] was rented was [REDACTED] known alias [REDACTED] SAC, Milwaukee also determined from SA [REDACTED] that no records have been made by the Telephone Co. concerning any lease lines utilized in connection with BALISTRERI or other lease line coverage. SA [REDACTED] knows of no lines of any type utilized in connection with [REDACTED] coverage.

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In a.m. of 10/20/66, pursuant to Bureau inquiry, review was made as to reasons the 22 personnel were utilized on monitoring duties re BALISTRERI. The reasons for use of these personnel were: the extended period of coverage, 3/9/64 - 3/3/65, 15 months; 16 to 18 hours coverage per day 7 days per week, involving 8 hour shifts, utilizing 1 to 2 persons each shift for actual coverage; necessity of utilizing SA personnel weekends, holidays and sometimes during regular work week because of limited non-agent personnel to monitor; necessity to use agents when non-agent personnel not available due to sick leave, annual leave and other absences, the same situation applying to absences of agent personnel; the fact that clerks were not authorized for use on the monitoring until June, 1964 and the fact that the 3 then clerks utilized were actually assigned to chief clerk's office duties and rotated on monitoring duties, with only 1 non-agent personnel working full time on monitoring (SE [REDACTED] 9 of the SAs utilized were either full or part time on hoodlum and related cases, including the sound agent, and were carrying full case loads; SA GEORGE BACON utilized because of broken leg and on crutches, and SA [REDACTED] a hoodlum case SA, utilized on monitoring due to limited duty status because of back trouble; other SAs than AR case SAs necessarily used because of other administrative and investigative responsibilities of

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-5-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

regular AR SAs; general heavy volume of office criminal squad work which made it necessary to utilize practically all SAs on criminal squad at one time or another due to specials, annual leave, sick leave and other absences of regularly utilized AR SAs. The foregoing appear to be primary reasons which made it necessary to utilize the 22 personnel used re this case.

Subsequently, during late a.m. 10/20/66, [redacted]

[redacted] (SAC contact) telephonically advised SA [redacted]
[redacted] that [redacted] had been
called by USA BRENNAN from Springfield

[redacted] advised he had told [redacted] to answer
USA BRENNAN that [redacted]

[redacted] advised that were it to come to a point in testimony he,
is aware that [redacted]

SA [redacted] and that he does not
desire to hurt the FBI in any way and would like to answer USA
BRENNAN through [redacted] in any way we would like him to. He advised

[redacted] were putting the
[redacted] and had
indicated they would have to [redacted]

[redacted] before committing [redacted]
[redacted] requested that the SAC call him back
as soon as possible re this problem.

After discussing the matter with Bureau [redacted] was telephonically
contacted by SAC, Milwaukee and advised that SA [redacted] had
brought the problem to SAC's attention. He was advised that FBI
understands that [redacted]
questions put to it. [redacted] advised that concerning question #1
he could only state [redacted]

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Date:

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(Type in plaintext or code)Via _____
(Priority)

MI 66-950

[redacted] but that he, [redacted] was not told and did not know [redacted]
 [redacted] He would then refer the SA to [redacted] who would actually [redacted] He had never discussed any of these matters with [redacted] nor had he learned from [redacted] He, [redacted] would not provide the name of the FBI SA [redacted] noted that [redacted] is not currently available for testimony [redacted]

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[redacted] also advised SAC that from his own experience, unless the FBI SA had indicated [redacted] would not have personal knowledge [redacted]

[redacted] He stated [redacted] that [redacted] He stated [redacted] could, of course, on his own initiative ascertain [redacted]

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[redacted] had no knowledge that [redacted] had ever ascertained such information. SA [redacted] of course, assured the SAC that he never identified [redacted]

[redacted] or any other similar data to [redacted] or [redacted] It is to be noted that SA [redacted] has been sound man since prior to any coverage on any of the 3 pertinent cases (since June, 1961) and has been the only SA to have contact with [redacted]

[redacted] shortly thereafter again called SA [redacted] to advise that he had advised [redacted] due to [redacted] had been visited by an FBI SA, name not disclosed, in the past [redacted] at which time the SA was [redacted] that he, [redacted] never questioned the FBI SA as to specific purpose for which [redacted] and that he had never discussed with [redacted]

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Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 60-950

[redacted]

On 10/20/66 news reports referring to HOLTZMAN's testimony on 10/19/66 indicated HOLTZMAN stated he knew nothing about the illicit FBI eavesdropping on a telephone call from [redacted]

[redacted] It was noted coverage on BALISTRIERI did not begin until March, 1964. In order to clarify this matter, review of BALISTRIERI logs at Milwaukee disclosed on 3/27/64 log that [redacted]

[redacted]

Nothing else audible. This call was picked up on the coverage microphone and pertained only to the BALISTRIERI end of the conversation.

In view of the reference to Feb., 1964, USA BRENNAN was contacted telephonically by SAC, Milwaukee and query made as to how this testimony arose. USA BRENNAN consulted the summary of testimony for 10/19/66 and advised that the correct reference was to a log exhibit for 3/27/64 and not to any telephone call in Feb., 1964.

During above conversation with USA BRENNAN, the latter also advised that arrangement being considered by prosecution and defense attorneys re dropping count #1 (conspiracy) of the indictment and proceeding on the tax evasion counts had fallen through. He advised Mr. MITCHELL RCGOVIN and [redacted] of the Dept. had discussed this matter and now felt that the Govt. should not drop the conspiracy count and, for this reason, it appeared the case had been opened up again as far as the defense calling various FBI personnel. USA BRENNAN stated that the Govt. had been attempting to limit inquiries by the defense to data obtained through electronic coverage by the FBI and to whom such data was disseminated but it now appeared that they were operating more or less at the pleasure of the defense as to how far the questions might be pressed, barring successful objections in court.

-3-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

USA BRENNAN telephonically advised ASAC J. WALLACE LA PRADE at 11:15 a.m. 10/20/66 that it would not be necessary to put on the stand any additional witnesses from the FBI in connection with this matter. He stated the Govt. was given a choice by the judge of proceeding on the conspiracy charges or proceeding on the tax charges, and the Govt. elected to proceed against BALISTRIERI on counts #2 and #3 which are tax evasion charges. He stated the trial date has been set for Tuesday, 10/25/66. USA BRENNAN added that Defense motion made to dismiss the Govt.'s case had been denied and that a motion made to suppress any evidence relating to electronic coverage had been granted.

Bureau inquired afternoon of 10/20/66 as to conversation SA [redacted] may have had at Springfield with USA or other Govt. attorneys [redacted] relating to technical setup of coverage on [redacted]. Bureau's information indicated SA [redacted] may have stated that leased lines were utilized to effect coverage [redacted]. Bureau instructed this be discussed with SA [redacted] and Bureau advised as to what conversation took place.

Subsequently, SA [redacted] arrived at Milwaukee Office from Springfield and matter discussed with him. SA [redacted] stated that only discussion he had concerning [redacted] coverage was during morning of 10/20/66 when [redacted] Departmental attorney, Tax Division, called SA [redacted] in to discuss preparation for SA [redacted] testifying which was contemplated later in day. According to SA [redacted] advised they had some confusion as to whether actual monitoring was done in apt. 403, 1609 N. Prospect Ave., [redacted]

[redacted] SA [redacted] stated he advised [redacted] that monitoring was not actually done in apt. 403 but was done in secure location at field office. SA [redacted] told [redacted] that the FBI office attempted [redacted] but that it did not work and no appreciable positive information resulted; therefore, the monitoring was changed to a secure place in field office.

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Date:

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(Type in plaintext or code)Via _____
(Priority)

MI 66-950

He advised [redacted] stated they knew a line from [redacted] went to a telephone pole nearby. SA [redacted] stated he replied to [redacted] that he could not testify to anything concerning lines going any place or about any other technical type installation.

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When pointed out to SA [redacted] that available information does not indicate we ever monitored [redacted] from the field office, (which would have involved a leased line), SA [redacted] realized he had been confused when talking with [redacted]. SA [redacted] advised he had been discussing the [redacted] coverage but had been thinking of the DOMINIC FRINZI coverage in which [redacted] but subject [redacted] was monitored through leased lines at field office. SA [redacted] realized his mistake almost immediately. SAC reviewed the foregoing with SA [redacted] in minute detail and is satisfied this, in fact, was a case of SA [redacted] simply having two installations confused. It is noted SA [redacted] also worked on the monitoring re FRINZI. SAC notes that SA [redacted] was at time of the conversation with the Govt. attorney, preparing to go on the witness stand shortly and a discussion with the attorney was logical. He assures that no other discussions were had with any of the counsel nor concerning any other coverage than [redacted]. SAC has most strongly admonished SA [redacted] that, in accordance with cautions given him by SAC prior to his departing for Springfield, he should be most circumspect in discussing matters with Govt. counsel, particularly concerning such sensitive matters as are involved and particularly matters concerning which he might testify in court. He was admonished that in discussing matters of recollection he should always give thorough and complete thought to being absolutely accurate, since in this instance it made a great deal of difference whether or not leased lines were used [redacted] in view of information which had previously been disseminated to the Dept. re this matter. It is felt that SA [redacted] inaccuracy in this instance is primarily a result of the stress of the moment, and possibly a misunderstanding of [redacted] inquiry and that further administrative action is not warranted in this regard.

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

During the afternoon of 10/20/66 Bureau advised information received that Judge POOS might allow the defense to review material obtained in Oct. 1961 (Millet to Bureau 10/23/61), from [redacted] which consisted of a number of photographs. Bureau desired Milwaukee Office review this material as to its bearing on IRS tax case and advise.

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SAC, Milwaukee subsequently advised Bureau review of this material by SA CARLYLE N. REED indicated there are 134 pages of photographed documents. In summary, they are identified as follows:

The first 78 pages consist entirely of pages of address book containing names, addresses and telephone numbers of individuals, business places, etc. There is one exception in the first 78 pages, page 21 being some notations on a piece of paper mentioning GALLAGHER's (FRANK BALISTRERI operates a night club by this name in Milwaukee), and the notation of \$200 and \$400 and "total bank," and "Food bank only" appear on this sheet.

Page 79 is bank statement in name JOSEPH BALISTRERI or BENDETTA BALISTRERI, Santa Monica Blvd., showing balance in amount of \$20,097.75 (It is noted the knowledge of Milwaukee Office is JOSEPH BALISTRERI is defendant FRANK BALISTRERI's father who resides at this address).

Pages 81 through 84 pertain to correspondence re the matter of [redacted] vs. RIZZO, ET AL. This correspondence is from attorneys to multiple addressees, including FRANK BALISTRERI, and pertains to conflict of interest matters with respect to representation by attorneys and in which correspondents Fara Corp. and Atomic Industries, Inc. are mentioned.

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Pages 85 through 89 pertain to correspondence with attorneys

-11-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

re GALLAGHER's (one of FRANK BALISTRERI's Milwaukee night clubs) and makes reference to local court case. Also included in these pages is letter not mentioning BALISTRERI but addressed to [redacted] (possibly identical with a local Milwaukee gambler) and pertains to a local court case. This letter is from an attorney to [redacted]

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Page 80 is statement from accountant GENE J. KOENEN for \$400 services apparently rendered to FRANK BALISTRERI by KOENEN in accounting matters.

Page 91 is statement of power of attorney given to KOENEN by FRANK BALISTRERI.

Pages 92 through 97 are statements of amounts due for services rendered, such as plumbing, construction work and closing statement involving sale of piece of property by FRANK BALISTRERI and ANTONINA BALISTRERI.

Pages 98 through 134 consist of statements of accounts of suppliers of various items used in business for services rendered for FRANK BALISTRERI, offer of property for purchase, various diagrams of city areas and lot areas which could refer to building sites or locations, approximately 3 checks payable to FRANK BALISTRERI or to cash which appear to be business transactions, a balance sheet or financial statement of Para Corp.

As can be seen from above, some of above noted material may be directly or indirectly significant with respect to income tax investigation of BALISTRERI.

Per Bureau instructions on evening of 10/20/66, the one set of photographs of above available in Milwaukee Office were sent by SA courier to SAC, Springfield, with instructions that he hold same until instructed by Bureau as to release of same to Govt. attorneys. ASAC CHARLES D. CHAPMAN, Springfield also given instructions telephonically.-12-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

During afternoon of 10/20/66 Bureau inquired as to exact nature of [redacted] coverage and was advised it was [redacted]

[redacted]
the hall from [redacted] apartment. No lines, lease or otherwise, were involved in this coverage and no lines extended from apt. 403 to Milwaukee Office or any other location.

During late afternoon of 10/20/66 [redacted] former AUSA, EDW, now member Legal Dept., Wis. Telephone Co., telephonically contacted SAC, Milwaukee. [redacted] advised it might be appropriate for Legal Dept. representatives and SAC, Milwaukee, to sit down and discuss current situation, with relation to possibly necessity for Telephone Co. representatives to testify in BALISTRIMI case. SAC, Milwaukee, suggested to [redacted]

[redacted] that should Telephone Co. representatives be called to testify they would have to testify truthfully but only to extent that personal knowledge carried them. It was noted that an individual, whether Telephone Co. representative or otherwise, who testified beyond personal knowledge would be getting into conjecture, hearsay, and placing himself in position to cause unnecessary embarrassment. [redacted] was advised that FBI personnel also might be called on to testify in this case and it would appear to be much wiser, were both Telephone Co. and FBI, Milwaukee, able to state that the two organizations had not conferred prior to court re what testimony would be given. [redacted] stated he had not looked at the matter from this standpoint and agreed that, at least for the time being, it would be preferable that the two organizations did not confer re this matter, and he intended to so recommend to the company president.

Milwaukee Office is aware, through recollection of SA [redacted] the only SA to contact Telephone Co. re instant type matters since prior to any coverage referred to herein, that only two Telephone Co. officials actually have any first-hand

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F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

knowledge of Milwaukee coverage, and the factual extent of their knowledge is extremely limited, as previously outlined earlier in this airtel. Therefore, any required testimony by Telephone Co. employee, unless that employee conducted investigation on his own to learn details of our coverage, and we have no information that such was done, would only indicate, (1) permission given FBI SA to utilize Telephone Co. line, and (2) location of terminal on a particular telephone pole. In view of this it appears no worthwhile purpose could be served conferring with Telephone Co. officials at this time. No such conferences will be held without prior contact by SAC with Bureau. Bureau advised of foregoing 10/20/68.

Bureau will continue to be kept advised of any pertinent developments in this matter learned by Milwaukee Office.

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Gale

DATE: 10/20/66

FROM : T. J. McAndrews

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Weber _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale *[initials]*
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

At noon today SAC, Fields of the Milwaukee Office called to advise that United States Attorney Brennan had been in telephonic contact with [redacted] in the Wisconsin Telephone Company Legal Department with respect to the prosecution of the Balistrieri matter. Brennan had inquired of [redacted] as to (1) What type of a leased line was furnished to the FBI for Balistrieri's office and, (2) What were the arrangements made by the telephone company with the FBI when the leased lines were needed.

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b7C

[redacted] had in turn gotten in touch with [redacted]

[redacted] in Milwaukee. [redacted] is a strong admirer of the Bureau, has been an SAC contact for a long period of time

[redacted] called SAC, Fields to advise him of [redacted]

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[redacted] advised first of all that [redacted]
of any sort [redacted]

b6
b7C
b7D

[redacted] attention as a response to the first question.

With respect to item number two, SAC, Fields advised that the Milwaukee sound man [redacted] is the only person to have been in a liaison status [redacted]. Requests for [redacted] who indicated [redacted]

[redacted] has advised SAC, Fields that under no circumstances would he during these contacts reveal [redacted]

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1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

CONTINUED - OVER

AAS:skh
(4) *[initials]*

REC'D. 92-3116-424

NOV 7 1966

67 111 1000

Memorandum to Mr. Gale
Re: Frank Peter Balistrieri

[redacted] In view of the fact [redacted]

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During the conversation with the SAC, [redacted] again contacted [redacted] and advised that [redacted]

and had therefore, told them that he, [redacted] had been on [redacted] and asked [redacted]

[redacted] On such occasion [redacted] acknowledged that he would [redacted]

and beyond this he knew nothing of [redacted]

[redacted] It is noted that [redacted]

in his statement did not [redacted]

also advised that he had just ascertained that [redacted] was on [redacted]

[redacted] at the present time.

It was indicated to SAC, Fields that the noncommittal nature of the statement appeared satisfactory in that it would not directly identify Agent [redacted]

[redacted] It's being noted, there is a possibility that [redacted]

[redacted] may at some time in the future be found to be a necessary witness during the course of this trial.

ACTION:

This is for record purposes.

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b6

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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: October 20, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

"JUNE"

The Director has inquired concerning the use of 22 monitoring personnel on the microphone coverage of Frank Peter Balistrieri.

SAC Paul Fields, Milwaukee, advised today he has conducted an inquiry concerning this matter and has determined the following reasons for the use of 22 individuals as monitors.

SAC Fields pointed out that the coverage on Balistreri extended from March of 1964 to June of 1965; a period slightly in excess of 15 months. Initially, only one monitoring clerk was available to the Milwaukee Office for monitoring duties. This was subsequently expanded in June of 1964, when the services of two other clerks were authorized for use on this coverage. Microphone coverage on Balistreri was monitored seven days a week during the period covered, between 16 and 18 hours each day. Monitoring duties were assigned with Agent personnel utilized for the coverage on weekends and holidays. In addition, Agent personnel were utilized for monitoring duties to cover periods when clerical monitoring personnel were unavailable by reason of sick leave and annual leave. Unavailability of certain Agents due to administrative and investigative responsibilities required this relief duty to be spread among available Agent personnel, according to SAC Fields.

ACTION:

REC-6

92-3116-425

For information.

NOV 7 1966

- 1 - Mr. DeLoach
 - 1 - Mr. Gale
 - 1 - Mr. Wick
 - 1 - Mr. McAndrews
 - 1 - Mr. Leggett

6 MAY 24 1972
FMC A. J. M. H. D. G.
(6)

~~67 NOV 9 1968~~

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: October 20, 1966

Time of Call 1:15 p.m.

Tolson _____
DeLoach _____
Nohr _____

Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Special Agent in Charge Fields, Milwaukee Office, called to advise of information he had just received from United States Attorney Brennen who is handling the Government's tax case against captioned subject in United States District Court, Springfield, Illinois. Brennen advised that the Government had decided to drop the conspiracy count, which charged subject Balistrieri [redacted] for income tax evasion. The Government had decided to proceed only on counts two and three, which charged Balistrieri with income tax evasion during the years 1959 and 1960.

United States Attorney Brennen had also advised Special Agent in Charge Fields that the court had denied the defendant's motion to dismiss and had granted the defendant's motion to suppress electronic information.

United States Attorney Brennen had also advised Special Agent in Charge Fields that all Bureau employees, as well as ex-Bureau employees, who had been subpoenaed for purposes of testifying during the hearings on the motion to dismiss and the motion to suppress had been released for return to their respective activities.

Special Agent in Charge Fields was unable at the moment to ascertain specifically when the immediate trial on counts two and three would be undertaken, but indicated he would follow this matter closely and keep the Bureau advised.

ACTION:

This is for your information.

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett
- 1 - Mr. Staffeld

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(6) 130

67 NOV 8 1966

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DEC 61

92-3116-426

6 NOV 7 1966

UNITED STATES GOVERNMENT

Memorandum

TO : MR. DE LOACH

DATE: October 20, 1966 *[Signature]*

FROM : J. H. GALE *[Signature]*

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

On October 20, 1966, Mitchell Rogovin, Assistant Attorney General of the Tax Division advised you that during court proceedings in Milwaukee the defense had determined that copies of documents in the possession of [redacted] had been located and copied. These documents, among other things, refer to insert-type bulletins of Internal Revenue Service (IRS) relating to methods of handling tax fraud cases and in-service training documents of the IRS.

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Rogovin asked if we had copies of these documents and requested that if so they be made available to him for the in camera inspection of the judge hearing the Balistrieri matter. Governmental and defense attorneys will be present.

SAC Paul Fields of the Milwaukee Office was contacted and verified that our Milwaukee Office did have possession of such documents, which had been located in October of 1961. A review of Bureau files reveals that pursuant to the Director's instructions, by letter dated November 3, 1961, to the then Attorney General Kennedy we advised of our possession of this IRS information and indicated to him that our source of this information was "highly confidential and most sensitive." These documents were obtained and photographed at the time the microphone was installed covering [redacted] Trespass was involved.

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It is to be noted that [redacted]

[redacted]
before a grand jury in [redacted]
before the grand

jury [redacted]

- 1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

REC-61 *9-3-16-427*

6 NOV 7 1966

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(5)

CONTINUED - OVER

67 NOV 1966

Memorandum to Mr. DeLoach
Re: FRANK PETER BALISTRIERI

SAC Paul Fields advised that a review of these documents, which are still in the possession of the Milwaukee Office, indicates that they relate in addition to the above-mentioned IRS training-type documents to the following: names contained in a telephone address book belonging to Balistrieri, various correspondence concerning Balistrieri's interest in construction projects, the purchase and sale of land, the operation of Gallagher's Night Club, a Balistrieri enterprise, bills to an accountant as well as bills for plumbing services, receipts from prize fights held at the Wisconsin Boxing Club and related matters.

ACTION:

In view of the fact that the judge hearing the Balistrieri matter desires to review these documents in camera, it would appear that we have to comply with his request. Accordingly, if approved, the above-described documents will be made available for the in camera inspection of the district judge handling this matter.

P ✓
OK. AH T. C. JES

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. Gale

FROM : T. J. McAndrews

DATE: October 20, 1966

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Weiss _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

The following information concerning our confidential coverage in Milwaukee is submitted in accordance with the instructions of Mr. DeLoach.

Our microphone coverage on Balistrieri was located in the office of the Continental Music Sales Company, 2559 North Downer Street, Milwaukee, Wisconsin. We used one telephone line from this address to our office, where this microphone was monitored. There was no charge from the telephone company for this line.

The microphone covering [redacted]

[redacted] This apartment was leased by [redacted] known aliases. We monitored this microphone from Apartment 403 at 1609 North Prospect Street, Milwaukee. There were no telephone lines involved. We rented Apartment 403 [redacted] from Ogden and Company [redacted]

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Concerning the telephone line used to monitor Balistrieri at the Continental Music Sales Company, there was no lease of this line and according to SAC Fields, Milwaukee, there is no record in the telephone company of the line. We were not charged for it. We simply used it and monitored the conversations from our office space. This was a confidential agreement with the telephone company.

ACTION:

For information.

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

REC-61

92-3116-428
6 NOV 7 1966

McA:tjm

6 MAY 24 1972

6 NOV 8 1966

Tolson ✓
 DeLoach ✓
 Mohr ✓
 Wirt ✓
 Casper ✓
 Callahan ✓
 Conrad ✓
 Felt ✓
 Gandy ✓
 Rosen ✓
 Sullivan ✓
 Tavel ✓
 Trotter ✓
 Tele. Room ✓
 Holmes ✓
 Gandy ✓

DECODED COPY ✓

AIRGRAM CABLEGRAM RADIO TELETYPE

10:04 PM 10-21-66 MRF

TO DIRECTOR

FROM MILWAUKEE 212204

Anti-recirculating

FRANK PETER BALISTRERI, AR. 00 MILWAUKEE.

ON OCTOBER 20 LAST, [REDACTED] TELEPHONICALLY
CONTACTED SA [REDACTED] REQUESTING TO SEE HIM.

SA [REDACTED] WAS THE ALTERNATE CONTACTING AGENT WHEN THIS
INFORMANT WAS FURNISHING INFORMATION ON A REGULAR BASIS
PRIOR TO HIS DISCONTINUANCE. ON OCTOBER 21 INSTANT [REDACTED]

[REDACTED] WAS CONTACTED BY SA [REDACTED]

[REDACTED] WHO IS A

MILWAUKEE HOODLUM, IS CLOSELY ASSOCIATED WITH MILWAUKEE
HOODLUMS INCLUDING FRANK PETER BALISTRERI, LOCAL LCN BOSS.

INFORMANT STATED THAT SEVERAL WEEKS AGO, EXACT DATE NOT
RECALLED, [REDACTED]

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72-3116-429

FG-W

6 NOV 7 1966

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1966

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 212204

[REDACTED] INFORMANT STATED THAT [REDACTED]

[REDACTED] INFORMANT STATED THAT BALISTRIERI [REDACTED]

[REDACTED] INFORMANT STATED

[REDACTED] INFORMANT STATED HE WAS AMAZED

b7D

THE FOREGOING IS BEING SUBMITTED ON A STRICTLY CONFIDENTIAL BASIS IN VIEW OF THE DEVELOPMENTS TO DATE IN BALISTRIERI'S TAX TRIAL IN SPRINGFIELD, ILL. MILWAUKEE OFFICE CONSIDERS THIS INTELLIGENCE INFORMATION WHICH SHOULD NOT BE SUBJECT TO

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
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 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE THREE FROM MILWAUKEE 212204

ANY TYPE DISSEMINATION TO ANY OUTSIDE AGENCIES.

BUREAU NOTE THIS INFORMANT'S INFORMATION [REDACTED]

b7D

[REDACTED] AND DISSEMINATION COULD

VERY POSSIBLY COMPROMISE THE INFORMANT AND HIS PERSONAL SAFETY.

FOR INFORMATION, [REDACTED]

b7D

FURTHER CONTACT WITH HIM MUST AWAIT NOTIFICATION FROM INFORMANT
 TO CONTACTING AGENT IF HE OBTAINS ANY FURTHER SIGNIFICANT
 INFO RELATING TO THE BALISTRIERI TAX CASE OR OTHER MATTERS.

THIS FORMER INFORMANT WAS NOT KNOWN TO HAVE FURNISHED
 UNRELIABLE INFO [REDACTED]

b7D

[REDACTED] WITH RESPECT TO INSTANT INFO, MILWAUKEE OFFICE
 HAS NO WAY TO INDEPENDENTLY SUBSTANTIATE SAME WITHOUT
 RISKING COMPROMISE OF INSTANT SOURCE OR OTHER LIVE INFORMANTS.
 OF THIS DIVISION.

FURTHER INFO NOT PERTINENT TO THE ABOVE AND RELATING TO
 INFORMANT'S STATUS UNDER THE TOP ECHELON CRIMINAL INFORMANT
 PROGRAM WILL BE SUBMITTED BY SEPARATE COMMUNICATION.

RECEIVED: 11:23 PM LRA

10/22/66

SPECIAL INVESTIGATIVE DIVISION

Attached teletype reports that
[redacted] confidential informant has
advised that [redacted]
[redacted]

[redacted] No b7D
dissemination being made at this time because informant [redacted]

[redacted]
could be disclosed as source of information with resultant jeopardy to life. Milwaukee being instructed to discreetly develop facts in order that dissemination may be made with full security.

McA:dsa

COPY SENT TO MR. TOLSON

A [initials]
Kenne
D. G. Tolson
10/22/66

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: October 21, 1966

Vp 000105
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Gandy _____

"June"

[redacted] attorney in the Tax Division, who has been in Springfield, Illinois, in connection with the Balistrieri case, returned copies of the logs of our microphone coverage today. This material had previously been made available to the Department for use in trial of the captioned matter.

b6
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[redacted] volunteered that the hearings concerning our confidential coverage were over and that trial of this matter would begin early next week, probably on Tuesday, October 25, 1966.

[redacted] stated that, in his opinion, defense attorneys would cross examine Internal Revenue Service agents closely as to the source of all evidence presented in the trial. It is not known at this time, of course, whether any of our Agents will be called during the trial of this matter.

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[redacted] mentioned that Maurice Walsh, defense attorney, who has been permitted to review the logs of our coverage on Balistrieri indicated to Government attorneys that Balistrieri, from the logs, certainly gave every indication of being a top level La Cosa Nostra leader.

REC-67

92-3116-430

Judge Poos, who is trying the Balistrieri matter, also indicated privately to [redacted] that he was fully aware of Balistrieri's hoodlum status and has only the highest respect for the FBI.

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b7C

ACTION:

6 NOV 7 1966

We are continuing to follow this ~~matter~~ closely and will advise you of all developments as they occur.

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

R. J. H. *W.H.* *Vp 000105*
COPY SENT TO MR. TOLSON

6 MAY 24 1982

6 NOV 6 1966

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: October 21, 1966

Tolson _____
DeLoach _____
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Assistant Attorney General Mitchell Rogovin, Tax Division,
was advised this morning that documents located [redacted]
[redacted] were being made available by
our Springfield Office to Departmental attorneys in Springfield, Illinois,
today for in camera inspection by the Judge and defense attorneys,
pursuant to the Judge's orders.

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Subsequently, SAC Robert Gebhardt, Springfield, called and
advised that the Departmental attorneys had indicated that there was not
going to be an in camera inspection of this material but rather the Judge
had ordered it turned over to defense attorneys for examination.

Rogovin subsequently advised that this was not correct;
that the material was to be examined in the Judge's chambers and, of
course, the defense would have an opportunity to review same. He
advised that Departmental attorneys would be appropriately instructed
by him to insure that the examination was in the Judge's chambers and
to immediately contact him if any problems developed with respect to
this material which would have any substantive effect on the tax case.

ACTION:

SAC Gebhardt of the Springfield Office was advised of the
foregoing and instructed to make the documents available to Departmental
attorneys.

- 1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

JHG:dlb

-5-

REC-61

6 NOV 7 1966

93-3116-431

67 NOV

1966

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AIRGRAM CABLEGRAM RADIO TELETYPE

10:44 PM URGENT 10-25-66 JSM
 TO DIRECTOR
 FROM MILWAUKEE 252330

ATTN: SECTION CHIEF THOMAS J. MC ANDREWS

FRANK PETER BALISTRIERI, AR.

RE PHONE CALL TO MILWAUKEE INSTANT.

IN ANSWER TO BUREAU PHONE INQUIRY, FOLLOWING INFORMATION
 IS SET FORTH:

1. HOW FREQUENTLY WERE LEASED LINES USED IN MILWAUKEE
 DIVISION DURING PERIOD OF CASES RELATING TO FRANK BALISTRIERI?

THERE WERE AS MANY AS FOUR LEASED LINES IN USE SIMULTANEOUSLY
 FOR A PERIOD DURING THE BALISTRIERI COVERAGE, INCLUDING BOTH
 CRIMINAL AND SECURITY FIELDS.

2. WHO DID WIS. TELEPHONE CO. DO BUSINESS WITH?

SA [redacted] THE ONLY SOUND TRAINED AGENT
 IN MILWAUKEE DIVISION.

REC-67

92-3116-432

6 NOV 7 1966

131
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DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 252330

3. AT TIME WIS. TELEPHONE CO. WAS COOPERATING IN BALISTRIERI CASE, (MARCH 9, 1964 TO JUNE 3, 1965), WHAT OTHER LEASED LINES WERE IN EXISTENCE?

[Redacted]

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4. DO WE HAVE HANDWRITTEN NOTES ON MONITORING?

NO, ALL INFORMATION RECEIVED WAS PUT IN LOGS AND OR WEEKLY SUMMARY AIRTELS. THIS PERTAINS TO BOTH CRIMINAL AND SECURITY COVERAGE.

5. WHEN MILWAUKEE FURNISHED [Redacted] MATERIAL TO SPRINGFIELD DIVISION ON OCT. 21, 1966, DID ANY OTHER RECORD EXIST?

NO, NO FILM NEGATIVES OR EXTRA COPIES OF PHOTOS EXIST IN MILWAUKEE.

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RECEIVED: 12:13 AM 10-26-66 LRA

cc - mra ms [Signature]

F B I

Date: 10/26/66

Transmit the following in .

the 1915
AIRTEL.

AIR MAIL REGISTERED (Type in plain text or code.)

Vin

(Priority)

TO: DIRECTOR, FBI (92-3116) ATTN: SECTION CHIEF
THOMAS J.
MC ANDREWS

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI, aka
AB

[Signature]

Re Bureau telephone call 10/26/66 and Milwaukee telephone call
to Bureau 10/26/66.

Pursuant to Bureau inquiry, a thorough review of technical logs for [REDACTED] AR, has been completed to determine if logs reflect any conversation between FRANK PETER BALISTRIERI and WALTER BROCCA.

Logs reflect that on

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Informant advised that at 12:42 a.m.

This information was furnished the Bureau by Milwaukee airtel 7/27/64 captioned "WALTER BROCCA, aka, AR," Bufile 92-3349, MI file 92-57.

3-Bureau AM RM
1-Milwaukee

PHF:mk
(4)

Approved:

Sent _____ M

12 Oct-1966

Special Agent in Charge

- 433 -

12 OCT 1966

NINA ROZAI

SPEC. MAIL R.F.M.

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

With respect to the technical installation on FRANK PETER BALISTRIERI, DOMINIC FRINZI and [redacted] following is set forth:

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[redacted] - FRANK PETER BALISTRIERI

A misur was installed in the office of Continental Sales, 2559 N. Downer Ave., Milwaukee, Wis. The misur consisted of a [redacted]

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[redacted] Milwaukee Office where it was monitored. 1 leased line was used for this installation and trespass was involved in making the installation.

[redacted] - DOMINIC FRINZI

A misur was installed in room 7148, Plankinton Arcade, 161 W. Wis. Ave., Milwaukee, Wis. This installation consisted of a [redacted]

b7E

[redacted] Milwaukee Office where it was monitored. 1 leased line was used for this installation and trespass was involved in making the installation.

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

A misur was installed [redacted]
Milwaukee, Wis. The misur consisted of [redacted][redacted] There were no leased
telephone lines utilized in this installation. Trespass was made
to effect the installation and subsequent trespass was made over
a period of time to replace batteries in the source.

The Bureau has been previously advised by Milwaukee Office of
inclusive coverage dates of above 3 sources by airtel dated
10/5/66 and, therefore, coverage dates are not being restated
in this communication.

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-3-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: October 26, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

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DeLoach _____
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Gandy _____

On October 25, 1966, Assistant Attorney General Mitchell Rogovin contacted you with respect to a number of questions they desired answered for their guidance in the future conduct of the Balistrieri trial in Springfield, Illinois.

Rogovin inquired as to how frequently our Milwaukee Office utilized leased lines, how many others were in existence at the time the Balistrieri source was functioning and who in the Milwaukee Office maintained liaison with the telephone company.

It has been ascertained, at the time of the Balistrieri source (March 9, 1964, to June 3, 1965), leased lines were maintained [redacted] microphone surveillances which included both criminal and security matters. Special Agent [redacted] [redacted] the only sound man assigned to the Milwaukee Office, was the Agent who maintained liaison with the telephone company in leased line matters.

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Rogovin inquired with respect to the advisability of providing defense counsel with copies of our Balistrieri investigative reports. Rogovin also inquired as to whether all material in our possession, which was acquired from [redacted] was turned over to the court.

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All copies of our investigative reports on Balistrieri have been forwarded to the Department and the Department has been previously advised that they specifically contain microphone information. It is being pointed out, however, that in view of significant information as to our investigative techniques, as well as information obtained from well-placed informants contained in the reports, it would appear inadvisable to provide these reports to defense counsel.

The Milwaukee Office has advised that all information acquired from [redacted] was turned over to the court and that no film negatives or extra copies are in the possession of the Milwaukee Office.

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b7C

Enc *secret*
1 - Mr. DeLoach

1 - Mr. Gale

67 NOV 8 1966
AAS:tjm (5)

10-27-66
1 - Mr. McAndrews
1 - Mr. Leggett

NOV 7 1966

CONTINUED - OVER

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

Rogovin indicated that defense counsel had inquired as to what prompted the Bureau to notify the Tax Division of our Balistrieri coverage on September 29, 1966. We are pointing out that Assistant Attorney General Vinson by memorandum September 27, 1966, indicated that the Department had been confronted by problems concerning prosecution of individuals on whom there had been prior electronic surveillances and advised the Department was interested in knowing when electronic surveillances were used. Vinson specifically mentioned several tax cases. Following the receipt of this memorandum, we advised the Attorney General by memorandum September 29, 1966, that we had maintained an electronic surveillance on Balistrieri.

It is noted that Rogovin also inquired as to whether handwritten notes of our monitoring activities in the Balistrieri case are in existence and has been advised that there are no handwritten notes in this case.

Rogovin also inquired with respect to the Bureau's authority for the installation of these sources and whether or not that authority was the same as was given by the Bureau in response to the Supreme Court's questions in the Black case. He was, of course, advised that this authority was the same general Departmental authority for the use of the microphone surveillance.

ACTION:

It is recommended that the attached letter go forward to the Acting Attorney General confirming information made available to Rogovin as a result of questions propounded by Rogovin for their guidance prior to the convening of court in Springfield, Illinois, today.

UNITED STATES GOVERNMENT

Memorandum

TO : MR. TOLSON

DATE: 10/27/66

FROM : C. D. DeLoach

cc Mr. DeLoach
Mr. Gale

SUBJECT: FRANK PETER BALISTRIERI
Anti-racketeering

Assistant AG Rogovin called at 11:30 this morning with reference to the captioned case.

Rogovin advised that the telephone company had provided a representative who would be heard in chambers, if this became necessary. The representative sent by the telephone company in all probability will not know too much about liaison with the FBI, inasmuch as he has been employed by the company for only 18 months.

Rogovin feels that the government can talk Defense Counsel Walsh out of interrogating the telephone company employee.

According to Rogovin, the defense counsel has apparently decided to lay off the FBI and turn his attention to the Internal Revenue Service. In this case the Internal Revenue had obtained search warrants, which were later recalled inasmuch as they were drawn up in a faulty manner. The search by Internal Revenue did result in obtaining a large number of documents. After turning over the documents to the court, the defense counsel ascertained that the Internal Revenue Service had maintained copies of all such documents. Defense Counsel Walsh is using this incident to good advantage, according to Rogovin.

Rogovin has advised that Internal Revenue had two microphones on in this case.

ACTION -

For record purposes.

KEC-67

92-316-435

✓ 6 NOV 7 1966

CDD:CSH (3)

Then why doesn't he go into a "trap" about that as he coming on about 2 bl microphones!

62 MAY 24 1972

62 NOV 8 1966

UNRECORDED COPY FILED IN 62-112907-110
11-2-1966

The Acting Attorney General

November 3, 1966

Director, FBI

3116-436
FRANK PETER BALISTRIERI
ANTI-RACKETEERING

1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

This will acknowledge receipt of a telephone call from [redacted] of the Tax Division to Mr. DeLoach on November 2, 1966.

The letter of September 29, 1966, to the Attorney General in this case, which was referred to, was prepared by Special Agent John G. Leggett. The liaison man of our Milwaukee Office with the telephone company for the period 1961 through 1965 was Special Agent [redacted]

In accordance with [redacted] request, Special Agent in Charge Fields of the Milwaukee Office and Special Agent [redacted] have been instructed to be in Springfield, Illinois, today, in the event testimony is required of them in this matter.

It does not appear that this Bureau's letter of September 29, 1966, has any pertinence whatsoever to the issues developed in the current trial of the Balistrieri case and I want to protest strongly against making this letter or the identity of the writer available to defense counsel in this matter.

1 - The Deputy Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

Refile

MAILED 2
NOV 3 1966
COMM-FBI

NOTE: See memo J. H. Gale to DeLoach, same caption, 11/2/66, McA:tjm

McA:tjm
(9)

5 NOV 8 1966 MAIL ROOM TELETYPE UNIT

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: November 2, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

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Late on the afternoon of November 2, 1966, [redacted]
[redacted] of the Tax Division telephonically contacted you and
advised that the current trial of Balistrieri in Springfield,
Illinois, had produced additional developments requiring
possible testimony from Bureau personnel.

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[redacted] stated that telephone company personnel had been
questioned concerning who had liaison between the FBI and the
telephone company and the telephone company representative
indicated that he was not aware of the identity of that person.
Consequently, the defense has requested the identity of the
liaison man and has indicated they intend to subpoena him
together with the present SAC and possibly former SACs Kissiah,
Stoddard, Baker and Roach.

SAC Fields was telephonically instructed to proceed to
Springfield tomorrow morning with SA [redacted] who
was the liaison man with the telephone company from 1961 to 1965.
Fields advised that he had no knowledge of the arrangements during
the pertinent period as he was not SAC at that time and even so he
was advised to testify if so called upon.

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Fields further stated SA [redacted] handled
the installation of all security and criminal microphones during
the period 1961 to the present time. Fields was instructed to
have [redacted] contact the Departmental attorney upon arriving
in Springfield tomorrow and explain to him that he installed
security microphones, as well as criminal microphones and to
have the Departmental attorney vigorously object to any questions
concerning security microphones in view of the fact that they are
absolutely not pertinent to instant matter.

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Fields was advised that he should also discuss with the
Departmental attorney on the taking of Departmental Order 324-46

Enc. sent 11-3-66
1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

REC-67

92-3116-43b

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CONTINUED - OVER

NOV 7 1966

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

if he is questioned concerning security microphones. This order describes the procedure to be followed when an employee is subpoenaed to produce or disclose material from information contained in the files of the Department of Justice.

SACs Richard Baker, Paul Stoddard and Joseph Kissiah have been alerted that their presence might be required in Springfield, Illinois. They have been told to keep themselves in readiness for possible appearances in Springfield, Illinois. SAC Stoddard advised that while, of course, he is available, his wife is in the hospital and undergoing tests for an abdominal ailment and that diagnosis has not been completed as yet. In any discussion with the Department concerning Stoddard's presence in Springfield, this condition will be brought to the Department's attention.

[redacted] also asked for the identity of the individual who prepared a letter from the Director dated September 29, 1966, which advised the Department of our microphone coverage on Balistrieri. We are protesting to the Department the revelation of this information by the Department to the court as not pertinent or material in anyway to the case.

ACTION:

There is attached for approval a letter to the Acting Attorney General providing the information requested by [redacted] and indicating that the Bureau strongly protests the identification of the supervisory Agent who prepared the Bureau's letter to the Attorney General of September 29, 1966, to defense counsel in this matter.

✓ JHG R
GR JWD/MD

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UNITED STATES GOVERNMENT

Memorandum

1 - DeLoach
1 = Gale
1 - McAndrews

Tolson
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Gale
Rosen
Sullivan
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Trotter
Tele. Room
Holmes
Gandy

TO : MR. TOLSON

DATE: 11/3/66

FROM : C. D. DeLOACH

SUBJECT: FRANK PETER BALISTRIERI "June"
ANTIRACKETEERING

[redacted] who is Acting Assistant Attorney General of the Tax Division in the Department while Rogovin is out of town called on 11/2/66 and made reference to the captioned case. My memo of the same date reflects an earlier call from [redacted] asking for information which was later furnished to him verbally and confirmed by memorandum.

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During the conversation at 6:25 p.m. with [redacted] he told me that SACs Richard Baker, New York; Paul Stoddard, Detroit and Special Agent Joseph Kissiah, Kansas City, all former SACs of the Milwaukee Division will be needed early this morning in Springfield to show "good faith" to the court.

I told [redacted] that we had already agreed that SA [redacted] who had handled liaison with the Telephone Company, would be made available as well as the current SAC of the Milwaukee Division, SAC Paul Fields. I stated inasmuch as [redacted] had handled all such liaison it would seem to be ridiculous to uproot the two SACs and one Special Agent simply to show "good faith."

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[redacted] told me the Department was trying to do everything to convince the trial judge that the Government was sincere and honest and that he personally felt that these men were needed. I reminded [redacted] that he had advised me previously that the Department would object to testimony by these men, since testimony by [redacted] and possibly testimony by SAC Fields would be sufficient. He stated this was true, however, it might create ill will if these men did not show. I told him these men live long distances from Springfield and it would create a hardship both to the FBI and them personally by ordering them into Springfield on an overnight basis simply to show "good faith." I further stated that the representative who handled the complete liaison between the FBI and the Telephone Company had already been made available and would, as a matter of fact, know more than the SACs involved. He admitted this was true but continued advising me of the necessity for the Department to show "good faith."

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REC-67

✓ 92-3116-437

(CONTINUED - OVER)

6 NOV 7 1966

CDD:hmm
(4)

6 MAY 24 1972
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6 NOV 8 1966

MEMO: DeLOACH TO TOLSON
RE: FRANK PETER BALISTRIERI

After arguing this point for some period of time, I told [redacted] that I would not issue instructions to have these men report to Springfield inasmuch as I felt this was a "fishing expedition." He replied that Rogovin was in travel status but that he might be able to get him or [redacted] to call. I stated I would be glad to listen to either Rogovin or [redacted] however, under the circumstances I did not feel it was necessary to have these men report to Springfield under the simple pretext raised by the Department. [redacted] stated he would have Rogovin or [redacted] call me later that night. I made it quite clear to [redacted] that in my opinion the Department had not adequately explained to the Court the hardship it would create in having the above-mentioned men report on an over-night basis to Springfield.

ACTION:

For information.

ADDENDUM BY DeLOACH (11/3/66): [redacted] called me at 8 p.m. to advise he discussed this matter with Assistant Attorney General Rogovin. [redacted] stated that both agreed that the FBI had not been given sufficient time to have the above-mentioned Bureau representatives report to Springfield. He further stated that the Departmental Attorneys would explain to the Court that their testimony would be irrelevant and would create a hardship to have them report to Springfield. I told him this certainly appeared more sensible. He indicated that he would keep us advised of further proceedings in the trial.

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b6
b7C

JMC

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P
Right.
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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: November 4, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

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In the income tax trial of Milwaukee's Balistrieri being held in Springfield, Illinois, Special Agent [redacted] of the Milwaukee Office testified yesterday.

[redacted] a sound trained Agent, was called to give testimony concerning the microphone coverage which the Bureau had maintained on Balistrieri, [redacted] paramour of Balistrieri, and Dominick Frinzi, a Milwaukee hoodlum attorney.

Defense attorneys questioned [redacted] extensively concerning the installation of the microphone coverage, as well as methods of monitoring results obtained from this coverage and our relations with the Wisconsin telephone company. On several occasions, defense attorneys attempted to get into areas where information pertinent to the national defense might be developed. Government attorneys and [redacted] raised objections to this line of questioning and were sustained by the judge hearing this case.'

Special Agent in Charge Paul Fields of Milwaukee advised that in the opinion of the Department attorneys, [redacted] made an outstanding witness.

REC-67

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ACTION:

6 NOV 7 1966

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The situation in the Balistrieri trial is being followed closely and you will be advised of all pertinent developments.

XEROX

NOV 8 1966

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

6 MAY 24 1972

McA:dsadsg

(5)

67 NOV 8 1966

gik

ADDENDUM (11/4/66):

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Acting AG [redacted] called me at 8 p.m., last night, 11/3/66, to indicate that he had been advised by the trial attorneys in this case that SA [redacted] made an excellent witness. [redacted] stated that SA [redacted] answered questions in such a firm, decisive manner that it appeared defense counsel might not pursue a further line of embarrassing questioning. This presumption is, of course, doubtful in view of the well-known propensities of Defense Counsel Walsh, who is a very unsavory individual.

PERS. REC. UNIT

CDD

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: November 4, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

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Concerning the income tax trial of Balistrieri in Springfield, Illinois, SAC Paul Fields of Milwaukee, called today to advise that at close of court today, this trial will be adjourned until November 14, 1966.

Fields stated that he had been released, at least temporarily, from requirements to testify and he and SA [redacted] who testified yesterday, are returning to Milwaukee.

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According to Fields, the Department attorneys have advised him that the defense is seeking to find out who specifically approved the microphones involved. Fields has told Department attorneys that these matters are approved by the Attorney General. Fields is of the opinion that the Department attorneys do not wish to hear this kind of information and will be looking for a Bureau official as the person who approves microphones rather than a Departmental official.

Fields also mentioned that in the opinion of Departmental attorneys, other former Milwaukee SACs Baker, Stoddard and Kissiah may be called when court reconvenes on November 14, 1966. He was of the opinion that Department attorneys would be in touch with the Bureau in this regard.

ACTION:

All additional pertinent developments in this matter will be brought to your attention.

REC-67

92-3116-439

5 NOV 7 1966

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

McA:tjm
(5)

67 NOV 8 1966

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

NOV 3 1966

TELETYPE

FBI WASH DC

FBI MILWAUK

809PM URGENT 11/3/66 PJR

DIRECTOR, ATTN: SPECIAL INVESTIGATIVE DIVISION, SECTION

CHIEF MC ANDREWS, AND SPRINGFIELD

FROM MILWAUKEE (72-39) 5P

UNSUB: OSCAR ROHR - VICTIM; OOJ; OO MILWAUKEE.

RE MILWAUKEE TELCALL TO BUREAU, NOVEMBER THREE, SIXTYSIX,
ADVISING OF A REQUEST FROM USA'S OFFICE, EDW, MILWAUKEE TO
INTERVIEW OSCAR ROHR OF MILWAUKEE WHO WAS A WITNESS AT FRANK
BALISTRIERI INCOME TAX TRIAL CURRENTLY IN PROGRESS, SPRINGFIELD,
ILL., ON CHANGE OF VENUE FROM MILWAUKEE. AUSA MILWAUKEE STATED
INFORMATION FURNISHED MILWAUKEE USA'S STAFF IN SPRINGFIELD,
HANDLING BALISTRIERI TRIAL THAT TIRES ON ROHR'S AUTO SLASHED AT
MILWAUKEE; FURTHER THAT THE COURT WAS VITALLY INTERESTED IN THIS
INCIDENT AND REQUESTED THE INTERVIEW OF ROHR. BUREAU APPROVAL
FOR INTERVIEW OF ROHR WAS RECEIVED INSTANT INASMUCH AS ROHR'S
END PAGE ONE

NOV 3 1966
MCT-14

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145 NOV 7 1966

6 NOV 7 1966

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f38
67 NOV 8 1966

PAGE TWO

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COMPLAINT INVOLVED A TRIAL WITHOUT PRIMARY JURISDICTION OF FBI.

OSCAR J. ROHR, A MILWAUKEE JEWELER, FURNISHED SIGNED STATEMENT TO BUREAU AGENTS NOVEMBER THREE, INSTANT IN WHICH, IN SUMMARY, HE STATED AS FOLLOWS:

ROHR AND WIFE DEPARTED MILWAUKEE EVENING OCTOBER TWENTY-SEVEN, LAST IN ROHR'S CAR ENROUTE SPRINGFIELD, ILL. TO TESTIFY IN BALISTRIERI TRIAL FOLLOWING DAY, OCTOBER TWENTYEIGHT, LAST. WHILE ENROUTE, ROHR NOTED CONTINUING THUDDING NOISE FROM AREA OF LEFT REAR TIRE OF CAR, STATES STOPPED ENROUTE, CHECKED LEFT REAR TIRE AND OBSERVED NOTHING WRONG. HE CONTINUED ON HIS TRIP FOR SEVERAL MILES AND CAR SUDDENLY SWERVED OFF ROAD AND ONTO THE SHOULDER, AT WHICH POINT ROHR SAID HE THOUGHT THAT THE LEFT REAR TIRE HAD GONE FLAT. AFTER REGAINING CONTROL

END PAGE TWO

PAGE THREE

OF CAR AND STOPPING IT, HE AGAIN CHECKED THE LEFT REAR TIRE AND THE REAR END OF THE AUTO AND COULD FIND NOTHING WRONG. HE AND WIFE CONTINUED TO SPRINGFIELD THAT NIGHT WITH NO FURTHER NOISE FROM THE TIRE NOR ANY OTHER UNUSUAL CAR NOISES.

ROHR TESTIFIED ON OCTOBER TWENTYEIGHT, LAST IN USDC FOR APPROXIMATELY FIVE MINUTES AS A GOVERNMENT WITNESS IN BALISTRERI INCOME TAX TRIAL. ROHR TESTIFIED AS TO THE PURCHASE OF A RING BY BALISTRERI'S SON AT ROHR'S JEWELRY STORE, MILWAUKEE, JANUARY THIRTEEN, NINETEEN SIXTY. ROHR STATED HE PRESENTED TO THE COURT THE ORIGINAL EVIDENCE OF SALE OF THE RING AND ALSO A DRAWING OF THE RING.

AFTER TESTIFYING HE AND HIS WIFE LEFT SPRINGFIELD ABOUT TWO THIRTY PM AND ARRIVED BACK IN MILWAUKEE ABOUT NINE PM AND NOTED DURING TRIP NO UNUSUAL NOISES OR DISTURBANCES TO THE CAR.

END PAGE THREE

PAGE FOUR

ROHR, ON OCTOBER THIRTYONE, LAST, HAD CAR CHECKED ON HOIST AT GARAGE MILWAUKEE. ON EXAMINATION HE WAS SHOWN WHERE A LARGE PIECE OF RUBBER APPROXIMATELY TEN INCHES BY FOUR INCHES WAS APPARENTLY TORN AWAY FROM INSIDE OF LEFT REAR TIRE CASING. ROHR TELEPHONICALLY CONTACTED AUSA [REDACTED]

[REDACTED] EDW, IN SPRINGFIELD, ILL., ON NOVEMBER ONE, LAST AND TOLD HIM ABOUT THE TIRE INCIDENT. ROHR TOLD [REDACTED] THAT HE BELIEVES FRANK BALISTRIERI HATES HIM AND THAT HE (ROHR) BELIEVES THE ITALIAN ELEMENT, MILWAUKEE DISLIKE HIM INTENSELY.

ROHR HAS NO KNOWLEDGE AS TO HOW PIECE OF CASING WAS TORN FROM TIRE.

ROHR STATED NO THREATS OF USE OF FORCE OR OF DAMAGE TO HIS PROPERTY HAVE BEEN RECEIVED BY HIMSELF, HIS WIFE, OR CHILDREN.

END PAGE FOUR

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PAGE FIVE . . .

ROHR STATED THAT IF THE TIRE WAS NOT TAMPERED WITH, HE HAD NO KNOWLEDGE OF HOW IT HAPPENED TO BE IN THIS CONDITION, SINCE HE HAD PREVIOUSLY HAD NO TROUBLE WITH THE TIRE.

AUSA [REDACTED] EDW, MILWAUKEE, ON NOVEMBER THREE, INSTANT REVIEWED ROHR'S SIGNED STATEMENT AND EXPRESSED OPINION THAT FURTHER INVESTIGATION NOT WARRANTED IN THIS POSSIBLE OOJ MATTER. IN VIEW OF INTEREST OF THE COURT AND GOVERNMENT ATTORNEYS AT SPRINGFIELD WHO ARE HANDLING BALISTRERI TRIAL, [REDACTED] IN PROCESS OF NOTIFYING USA BRENNAN TELEPHONICALLY THIS DATE.

SPRINGFIELD BEING NOTIFIED FOR THEIR IMMEDIATE INFORMATION. NO FURTHER INVESTIGATION BEING CONDUCTED. REPORT FOLLOWS.

END

OTHER OFFICE ADVISED

RAM

FBI WASH DC

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UNITED STATES GOVERNMENT

RA
Memorandum

TO : Mr. DeLoach

DATE: November 15, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DW ✓
Tolson _____
DeLoach ✓
Mohr _____
Felt _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Special Agent in Charge (SAC) Fields of the Milwaukee Office called with respect to the income tax trial of Milwaukee hoodlum Frank Balistrieri, which trial is presently being conducted in Federal court at Springfield, Illinois.

Departmental Attorney [redacted] who is handling the trial in this matter, had called Fields and indicated that Judge Poos, before whom the trial is being conducted, had been patiently listening to the defense arguments with respect to the Government's utilization of microphone surveillances and the potential for tainted evidence in the trial. Judge Poos, however, this morning had announced from the bench that the defense had gone far enough in pursuing such line of argument without revealing any taint. Judge Poos, therefore, ordered such line of argument discontinued and the Government's case to be put on immediately.

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Judge Poos indicated that after the prosecution and defense had completed the substantive argument pertaining to the tax violation and the case given to the jury, he would grant permission for further argument by the defense with respect to the matter of microphone intercepts if such is considered necessary.

It was anticipated that through this maneuver Judge Poos will make it possible for the evidence in the case to be introduced together with a specific showing as to the source of the evidence. This would establish very clearly that the source is not tainted and may well obviate the need for any further argument of the point by the defense.

- 1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

REC-61

92-3116-440

CONTINUED - OVER

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(5) 56 NOV 25 1966
F146

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

[redacted] advised SAC Fields that in view of the foregoing, it is anticipated that there will be no need for SAC Fields or any of the FBI monitoring personnel to appear as witnesses in this trial though it was conceded that this could be subject to change after the case went to the jury.

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ACTION:

SAC Fields was instructed to follow this matter closely and keep the Bureau advised of further developments.

J ✓
John *not off* *now*

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 11/6/66	INVESTIGATIVE PERIOD 11/2-4/66
TITLE OF CASE UNKNOWN SUBJECT; OSCAR KOHR - VICTIM		REPORT MADE BY [Redacted]	TYPED BY [Redacted]
		CHARACTER OF CASE [Redacted]	
CONSTRUCTION OF JUSTICE			

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LJ
 Milwaukee telephone call to Bureau, 11/3/66,
 Milwaukee teletype to Bureau and Springfield, 11/3/66.

- C -

ADMINISTRATIVE

SA [Redacted] was personally contacted by AUSA [Redacted]
 [Redacted] EDW, Milwaukee, on the afternoon of 11/2/66 at which time
 he related he had received a telephone call from AUSA [Redacted]
 EDW, who was currently handling the FRANK BALISTRIBRI prosecution
 at Springfield. [Redacted] stated OSCAR KOHR, who had testified in the
 Internal Revenue Service Net Worth Case on BALISTRIBRI, and who is a
 jeweler in Milwaukee, after returning to Milwaukee had his tire slashed
 on his automobile. Details as to the extent of the number of tires,

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- A -

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED

SPECIAL AGENT
IN CHARGE

DO NOT WRITE IN SPACES BELOW

COPIES MADE:

- Bureau (AM) (RM) (192-3116)
- Springfield (AM) (RM)
- 1 - USA, Milwaukee
- 2 - Milwaukee (72-39) (1-94-316)

92-3116-

NOT RECORDED

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FILED IN
72-1758-2
ORIGINALDissemination Record of Attached Report

Agency				
Request Recd.				
Date Fwd.				
How Fwd.				
By				

Notations

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MI 72-39

the exact date, were not known to [redacted] and he did not think [redacted] knew the complete facts. AUSA [redacted] indicated this would be a possible Obstruction of Justice matter, noting that USDJ OMHR POOS, who was trying the BALISTRIERI case, was interested in this matter and AUSA [redacted] requested that ROHR be interviewed to get the full facts of the tire incident. Noting that Bureau instructions require that Bureau authority be obtained before conducting investigation in an Obstruction of Justice matter when the trial involved is one which is not within the primary jurisdiction of the FBI, ASAC J. WALLACE LA PRADE, on 11/3/66, telephonically made the above request known to the Bureau and Bureau authority was received concerning the request to interview ROHR.

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As set forth in the details, this investigation was limited to the interview of OSCAR ROHR, pursuant to the request, and the presentation to the office of the USA at Milwaukee.

Concerning OSCAR ROHR, it should be noted that he was the victim in a theft in Columbus, Ohio on February 23, 1966. Cincinnati Office was the office of origin, their file number 87-11800, Milwaukee file number 87-7732. Case captioned UNSUB; Theft of \$10,000 in Coins, Jewelry, and Cash from OSCAR ROHR, Columbus, Ohio, February 23, 1966; ITSP.

OSCAR ROHR was also the subject in a closed WSTA investigation in May, 1963, captioned OSCAR ROHR [redacted] - Victim, Milwaukee file 31-2916. This case was closed on May 20, 1963 inasmuch as investigation failed to develop elements of the White Slave Traffic Act.

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In addition, Milwaukee files reflect [redacted]

[redacted]
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[redacted]
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- B -

72-39

[redacted]

As set forth in the details, AUSA [redacted] expressed opinion further investigation not warranted in this matter. [redacted] stated on November 3, 1966, he would, on that date, furnish the information concerning ROMA'S interview telephonically to USA JAMES BRENNAN in Springfield, Illinois, who was also participating in the trial of FRANK BALISTRIERI.

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LEAD

SPRINGFIELD DIVISION

At Springfield, Illinois

No specific leads in this matter are set forth for Springfield; however, two copies of this report are being submitted for their immediate information, noting that that office is acting in a liaison basis with the USA'S staff, EDW, presently in Springfield, Illinois, in connection with the FRANK BALISTRIERI income tax trial.

COVER PAGE

- C*-

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, MILWAUKEE

Report of: SA [redacted]
Date: NOVEMBER 4, 1966

Office: MILWAUKEE

Field Office File #: MI 72-39

Bureau File #:

Title: UNKNOWN SUBJECT;
OSCAR ROHR - VICTIMb6
b7C

Character: OBSTRUCTION OF JUSTICE

Synopsis: USA'S Office, EDW, Milwaukee, Wisconsin, requested interview of OSCAR ROHR, who was a Government witness in income tax trial of FRANK BALISTRIERI, which is currently in progress in Springfield, Illinois. USA'S Office advised tires of ROHR'S auto slashed at Milwaukee, and the court was vitally interested in this incident. USA'S Office requested interview of ROHR to further develop facts. ROHR furnished signed statement 11/3/66 in which he stated while enroute from Milwaukee to Springfield, Illinois, evening of 10/27/66, in his car, he and his wife noted thudding noise coming from area of left rear tire of car. Stated at one point car swerved off road, at which point ROHR said he thought left rear tire had gone flat. After stopping car and checking, left rear tire, he could find nothing wrong. Continued to Springfield that night with no further noise from the tire nor any other unusual car noises. ROHR testified in USDC, Springfield, 10/28/66, and he and wife, in his car, returned to Milwaukee 10/28/66 with no further incident concerning car. On 10/31/66, ROHR had car checked on hoist at garage, Milwaukee. On examination was shown where large piece of rubber was apparently torn away from inside of left rear tire casing. ROHR, on 11/1/66, telephonically told AUSA [redacted] EDW, [redacted]

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MI 72-39

in Springfield, about tire incident. ROHR stated he believes FRANK BALISTRERI hates him and that Italian element, Milwaukee, dislike him. ROHR stated no threats of use of force or of damage to his property have been received by himself, his wife, or his family. He added he had no knowledge of how tire happened to be in this condition. AUSA, EDW, on 11/3/66, expressed opinion further investigation not warranted in this possible Obstruction of Justice matter.

- C -

DETAILS:

This investigation is predicated on the following information:

On November 2, 1966, SA [redacted] was personally contacted by Assistant United States Attorney, [redacted] Eastern District of Wisconsin, Milwaukee, at which time [redacted] related he had received a telephone call from Assistant United States Attorney [redacted] Eastern District of Wisconsin, Milwaukee, who is currently handling the Government's prosecution in the income tax trial of FRANK BALISTRERI, currently in progress in Springfield, Illinois on change of venue from Milwaukee.

[redacted] related that information had been furnished by OSCAR ROHR to the United States Attorney's staff who are handling the BALISTRERI trial that ROHR, who is a jeweler in Milwaukee, after returning to Milwaukee, had his tires slashed on his automobile. The details as to the extent, the number of tires, and the exact date were not known to [redacted] and he stated that he did not think [redacted] had the complete facts.

[redacted] indicated that this would be a possible Obstruction of Justice matter and requested that OSCAR ROHR be interviewed to develop the full facts in the tire incident. Assistant United States Attorney [redacted] advised that United States District Judge OMER POOS, Springfield, Illinois, had been informed of this incident and was agreeable to the interview of ROHR and was interested in this incident.

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FEDERAL BUREAU OF INVESTIGATION

Date November 4, 19661

OSCAR ROHR voluntarily appeared at the Milwaukee Office of the Federal Bureau of Investigation and furnished the following signed statement concerning his knowledge of the tire incident concerning his automobile, which information he had telephonically furnished to Assistant United States Attorney [redacted] Eastern District of Wisconsin, in Springfield, Illinois, on November 1, 1966.

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Milwaukee, Wisconsin
November 3, 1966

"I, Oscar J. Rohr, make the following voluntary statement to [redacted] who have identified themselves to me as Special Agents of the Federal Bureau of Investigation. No threats or promises have induced me to make this statement. I have been advised this statement may be used in a court of law.

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"I reside at 10710 West Auer Ave., Wauwatosa, Wisc. I am presently employed on a part-time basis with [redacted] at Rohr Jewelers, Inc., 174 West Wisconsin Ave., Milwaukee, Wisc.

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"On Thursday, Oct. 27, 1966 at about 6:30 PM my wife, Wanda, and I departed Milwaukee, Wisc. in my 1966 Toronado Oldsmobile enroute to Springfield, Illinois. We travelled to Springfield by Highway 100, to Route 41 and by Illinois Tollway to Highway 66 into Springfield.

"About 9:00 PM we were in the vicinity of Pontiac, Ill. I noticed a continuing, thudding noise on the rear, left side of my car. I stopped the car, got out and checked the rear of the car. I could observe nothing wrong. I got back in the car, continued for another five miles, the thudding continued and I stopped again. I got out of the car, checked the rear again and could find nothing wrong. I got back in the car, drove about 3 miles and suddenly it appeared

- 3 -

On 11/3/66 at Milwaukee, Wisconsin File # MI 72-39

by SAs [redacted] and mcm

Date dictated 11/4/66b6
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72-39
JDW/mem
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that the left rear tire had gone flat. The car swerved off of the road and on to the shoulder. I regained control of the car and stopped. I checked the rear tires again, from the outside, found nothing wrong and we continued on our way. My wife and I both noticed the thudding had ceased.

"We arrived in Springfield, Ill. about 11:50 PM and spent the night at the Holiday Inn.

"The next day, Friday, Oct. 28, 1966, I testified in United States District Court, on behalf of the government, in the income tax trial as concerns Frank Balistreri. I testified as to the purchase of a ring by Mr. Balistreri's son at my jewelry store in Milwaukee, Wisc. on Jan. 13, 1960. I presented to the court the original evidence of sale of the ring and also a drawing of the ring. I was on the witness stand about 5 minutes.

"After testifying, my wife and I returned to Milwaukee in my car. On the return trip, I travelled carefully at a moderate rate of speed and noticed no unusual noises from the car. We departed Springfield about 2:30 PM and arrived in Milwaukee, Wisc. about 9:00 PM.

"On Monday, Oct. 31, 1966 I took the car to Blackmoor Oldsmobile, 3rd St. and Wright, Milwaukee. The car was raised up on a hoist. On examination by a mechanic I was shown where a large piece of rubber, approximately 10 inches by four inches had torn away from the inside of the left rear tire. This would be the inside wall, of the tire which couldn't be seen until the car was raised on the hoist.

"I began to feel uneasy when I saw this tire because things like this don't normally happen to a tire.

MI 72-39

JDW/mem

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"As I recall, I called Assistant United States Attorney [redacted] in Springfield, Ill on Tuesday, Nov. 1, 1966 and told him about the tire. I told [redacted] that I believe Frank Balistrieri hates me. I believe the the Italian element in Milwaukee dislike me intently.

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"I have no direct or indirect knowledge as to how the piece of rubber was torn from the tire.

"No threats have been made to me either telephonically or in person either prior to the time I testified or after I testified. Neither has my wife received any threats or use of force to be directed against me, her or any other member of my family. In addition I have received no threats as to damaging my property or my families.

"I have read the above statement consisting of this page and five previous pages and it is true and correct to the best of my knowledge and recollections. I have initialed each page at the bottom and each correction.

Signed Oscar Rohr

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Witnessed: [redacted] Special Agent,
FBI, Milwaukee, Wisc. Nov. 3, 1966
SA [redacted] FBI, Milwaukee, Wis. 11/3/66"

In addition to the above signed statement, Mr. ROHR commented that if the tire was not tampered with, he had no knowledge of how it happened to be in this condition, since he had previously had no trouble with the tire.

The following is a description of OSCAR ROHR:

Name
Date of Birth
Place of Birth

OSCAR J. ROHR
February 28, 1902
Milwaukee, Wisconsin

72-39
JDW/mcm
4

Race	White
Sex	Male
Height	5'4 3/4"
Weight	132 pounds
Build	Medium
Complexion	Medium
Hair	Black, graying, thinning on top
Marital status	Married to WANDA (KULBACKI)
Son	[Redacted]

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72-39

Assistant United States Attorney [redacted]
Eastern District of Wisconsin, Milwaukee, on November 3, 1966
reviewed OSCAR ROHR'S signed statement and expressed the
opinion that further investigation is not warranted in
this possible Obstruction of Justice matter.

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FBI

Date: 11/15/36

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS
FROM: SAC, MILWAUKEE (66-950) DIVISION 9
SUBJECT: FRANK PETER BALISTRIERI
AR JUNE

Re telephone call to Milwaukee 11/10/66 and MITels to Bureau
11/14 and 15/66.

Pursuant to Bureau instructions, matter of possible testimony by SAC, Milwaukee, in current BALISTRERI tax trial at Springfield, Ill., was discussed with departmental tax attorney [redacted] at Milwaukee 11/14/66. It was resolved with [redacted] that SAC, Milwaukee, could testify as to existence of microphone coverage concerning FRANK BALISTRERI, [redacted] and DOMINIC FRINZI, noting FRINZI identity not been made known in court yet and will probably not be made known.

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In regard to FRINZI, [REDACTED] commented that FRINZI is aware through Attorney WILSH of the microphone coverage on him and was very upset concerning this matter. In a discussion in chambers Attorney FRINZI insisted that he had to take some action in this regard. [REDACTED] stated that Judge POOS advised FRINZI that he could take whatever action he desires; however, the court had taken pains to swear all counsel to secrecy concerning FRINZI's identity and that if FRINZI desired to talk to the papers or otherwise disclose his identity, that would be a matter of his own doing. [REDACTED] stated he has not personally reviewed the microphone surveillances logs re FRINZI but that Judge POOS had felt it advisable to keep FRINZI's name out of it since the logs contained some unfavorable information as to the character of FRINZI. As

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③-Bureau AM RM
2-Springfield AM RM
1-Milwaukee
PHF:ml
(6) ✓

REC-23 92 - 516-44

Digitized by srujanika@gmail.com

12 NOV 16 1968

Approved: _____

Sent _____ M Per _____

Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

of this time [redacted] does not know what action, if any, FRINZI
contemplates in this regard.

In connection with contemplated testimony that no other microphone coverage existed concerning any individuals connected with BALISTRIERI tax indictment except above three, SAC, Milwaukee, would testify based on personal search of informant index of office which established no other such coverage existed. SAC would also testify that only SA [redacted] was assigned to handle microphone installations and from the records of Milwaukee Office that no agents from any other offices or Washington had come to Milwaukee to make any installations during pertinent periods.

As to authorization for installation of foregoing microphone coverage, SAC would testify that same is approved on field office level but ultimate approval is made by the Attorney General and, if necessary, to state, would testify that the relationship of case in question to national defense and/or life and death would be decided in any instance by the ultimate authority approving such coverage, which is the Attorney General.

A question was raised by Attorney WALSH to [redacted] concerning a leased line reserved with the Telephone Co. for possible microphone surveillance use in investigation of [redacted]. Attorney WALSH had referred to SA [redacted] testimony that no records existed at Milwaukee Office concerning any reservation of pertinent line nor of its subsequent cancellation. SA [redacted] in fact testified that reservation of such line was discussed with [redacted] at Telephone Co. but it was never used nor further discussed with [redacted]. SAC, Milwaukee, advised [redacted] that in response to WALSH's inquiry, SAC could testify that he caused the records of Milwaukee Office to be reviewed and no record was found re any arrangements for reservation of such a line nor of cancellation of such a line. [redacted] commented that subsequent to [redacted] testimony recalling such a line reserved for SA [redacted] the judge had asked [redacted] to see if he could locate a record at Wis. Telephone Co. which would reflect such reservation

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

and/or cancellation. [redacted] subsequently, after returning to Milwaukee, brought a leased line card over to USA JAMES B. BRENNAN which reflected numerous erasures and it was obvious from examining the card that no actual existing record of any past reservation thereon could be established. In this respect it is noted Telephone Co. personnel testified that reservations and cancellations on these telephone lines were handled on a continuous basis of erasures and substitution of new data as the need arose.

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It was agreed with [redacted] that SAC could testify as to procedures followed in reporting information from tapes and temporary notes taken in conjunction with the tapes, the procedure being that on a continual day-to-day basis the tapes were erased and notes were destroyed after pertinent information from both was typed on the log. It is noted SAC emphasized to [redacted] the fact that the original record re these microphone surveillances is the log rather than the tapes or notes, and that all of information recorded or retained is that information recorded on the logs. In regard to the BALISTRIERI and TRINZI coverage tapes and notes were utilized and then disposed of when the logs were typed. In regard to the [redacted] coverage no tapes were utilized but only notes and pertinent information taken from the source at the time and typed on to the logs, which logs were subsequently destroyed.

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In discussing these procedures [redacted] referred to the length of time that tapes are retained and inquired as to such retention when [redacted] and what delay in erasure of tapes [redacted] might cause. He was advised in the event [redacted] this might cause some weeks of retention of tapes. SAC, Milwaukee, did not advise [redacted] that any tapes, transcripts [redacted] other than logs have been retained concerning any of these three coverages. As noted in re MITEL 11/14/66, review of material previously furnished to Bureau after [redacted] departure noted that we have retained [redacted]

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

on 4/3/64, 10/29/64 and 6/18/64 which material contained information relative to Milwaukee La Cosa Nostra family. Since Attorney WALSH had made inquiry of [redacted] concerning any tapes [redacted] and since tapes are referred to in the BALISTRERI logs for above dates, which logs were given by the Dept. to defense attorneys, it appeared essential that the position maintained to date, that all original documents re the coverage had been furnished, should be clarified prior to any direct testimony in this area in court. As Attorney WALSH obviously intended to pursue this line of questioning, according to [redacted] the existence of this material would be elicited by testimony of Bureau personnel.

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In view of these circumstances and pursuant to Bureau telephonic approval 11/15/63, [redacted] was advised by SAC, Milwaukee, of existence of this material. At that time he requested that the [redacted] be sent to him at Springfield to be placed in custody of court pending further possible hearing on the suppression of evidence after the Gov't finishes putting on its case in the current court trial.

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During discussion with [redacted] 11/14/63, SAC, Milwaukee, referred to Attorney WALSH, inquiring concerning a FRINZI log which made reference to [redacted] or similar type reference. Review of FRINZI logs had disclosed the log covering 7/3, 5, 8 and 9/63 indicated 7/3/63, [redacted]. [redacted] WALSH had indicated he contemplated calling the monitoring employee for that date as to any recollection of what the actual conversation heard would have concerned. SAC, Milwaukee, noted to [redacted] that the monitor's identity is not shown on FRINZI logs as it was on the BALISTRERI logs and that other records in office do not disclose the specific identity of the monitor for that certain date. He was advised that we could only speculate that it would have been one of three or four personnel in office. In regard to this aspect [redacted] noted that WALSH had apparently not yet decided whether various monitors of BALISTRERI coverage might be called in order to ascertain whether they may recall information other than that

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-4-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 63-950

recorded on the logs. SAC emphasized to [redacted] that after a long passage of time such as in this case it would be highly unlikely that any of BALISTRIERI coverage monitors would recall even the information written on the logs, much less any possible information that might have been listened to but not recorded on the log. The fact that their duties were impersonal, interspersed with handling of other matters assigned to them and not concerned with data not felt to be pertinent, would in all likelihood preclude any recollection of such information.

[redacted] stated he would keep this in mind and make a strong point of this with defense attorney WALSH if the opportunity arose prior to actual decision to call the BALISTRIERI coverage monitors to testify.

[redacted] also advised that Attorney WALSH has raised a question of the extent to which information involving electronic coverage may have been disseminated by the Bureau and as to whether departmental officials receiving same may have orally discussed such reports and other correspondence with IRS representatives, thereby tainting IRS investigation of the BALISTRIERI tax case. [redacted] requested Milwaukee Office determine if reports concerning BALISTRIERI, FRINZI or [redacted] had been given to USA. He also wondered about dissemination at Bureau, but was advised that Milwaukee Office would not have record of what dissemination was made at headquarters level. Check of reports concerning these subjects was made and determined that reports in BALISTRIERI and FRINZI cases were sent to Bureau, to various field offices concerning leads and were given to USA, Milwaukee. None were disseminated at field level to any other USAs nor any other agency. [redacted] material was consolidated into BALISTRIERI case and no separate reports were submitted on her.

In view of court's decision 11/15/66 to discontinue further inquiry re FBI microphone coverage, this particular information is not being made known to [redacted] in the absence of further request from him.

Under separate cover [redacted] referred to earlier

-5-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

herein are being forwarded to SAC, Springfield. Upon receipt
they should be delivered to [redacted] at the USA's office
and given to [redacted] personally.

Milwaukee Office will keep Bureau advised re any developments
learned in this matter by this office.

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b7c

-6-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY *9/9*

AIRGRAM CABLEGRAM RADIO TELETYPE

6:39 PM URGENT 11-15-66 PJR

TO DIRECTOR

FROM MILWAUKEE 152152

JUNE

ATTN: T.J. MC ANDREWS, DIVISION NINE.

FRANK PETER BALISTRIERI, AR.

REMITEL NOVEMBER 14 LAST AND MI TELEPHONE CALL TO BUREAU
INSTANT.

PURSUANT TO BUREAU APPROVAL TELEPHONICALLY RECEIVED INSTANT,
DEPARTMENTAL TAX ATTORNEY [REDACTED] AT SPRINGFIELD,
ILLINOIS, WAS ADVISED BY SAC, MILWAUKEE, CONCERNING EXISTENCE
OF MATERIAL DESCRIBED IN RETEL. [REDACTED] NOTED HE HAD PREVIOUSLY
TAKEN POSITION IN COURT THAT INFORMATION RE ELECTRONIC COVERAGE
MADE AVAILABLE TO DEFENSE WAS ALL THE DATA IN EXISTENCE. HE
STATED EXISTENCE OF TAPES AND OTHER MATERIAL DESCRIBED IN RETEL
WOULD NECESSITATE HIS MAKING STATEMENT TO COURT IN ORDER TO

b6
b7c

EX-103

92 - 3116-442

REC-23

MR. DELOACH FOR THE DIRECTOR

11 NOV 22 1966

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 152152

CLARIFY RECORD IN THIS REGARD. HE ADVISED HE DID NOT ANTICIPATE ANY PROBLEM IN THIS RESPECT. [REDACTED] ADVISED HE HAD AGAIN THIS MORNING REQUESTED COURT TO TERMINATE DEFENSE'S PURSUIT OF FBI'S MONITORING ACTIVITIES IN ORDER THAT GOVT COULD GET ON WITH TAX CASE. JUDGE HOMER POOS THIS MORNING INSTRUCTED THIS LINE OF INQUIRY BE SUSPENDED AND GOVT GO AHEAD WITH ITS TAX CASE WITNESSES. THE JUDGE GAVE DEFENSE LEAVE TO AGAIN RAISE QUESTION OF SUPPRESSION AND POSSIBLE TAINT OF TAX CASE BY INVOLVEMENT OF FBI MICROPHONE SURVEILLANCE DATA AFTER GOVT CASE HAS BEEN COMPLETED. AT THAT TIME THE JUDGE MAY GRANT HEARING ON THIS QUESTION OUTSIDE PRESENCE OF JURY.

[REDACTED] REQUESTED [REDACTED] WHICH
 CONCERN [REDACTED] RECORDED
 IN BALISTRIERI COVERAGE, BE SENT TO HIM AT SPRINGFIELD AS HE FELT THEY SHOULD BE PLACED IN CUSTODY OF COURT DURING REMAINDER OF TAX CASE. HE ADVISED HE DOES NOT KNOW AT THIS TIME WHETHER COURT MAY LATER RULE THAT DEFENSE SHOULD RECEIVE THE TAPES. HE

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b7c

b6
b7c
b7e

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE THREE FROM MILWAUKEE 152152

ADVISED IT APPEARS NOW THAT NO TESTIMONY SAC, MILWAUKEE, OR SA [REDACTED] OR FBI PERSONNEL LISTED IN BALISTRIERI LOGS AS MONITORS WILL BE REQUIRED, AT LEAST UNTIL GOVERNMENT COMPLETES PUTTING ON ITS TAX CASE. MILWAUKEE WILL FORWARD ABOVE MENTIONED TAPES TO [REDACTED] VIA SPRINGFIELD OFFICE IMMEDIATELY ON RECEIPT OF SAME FROM BUREAU.

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b7c

BUREAU WILL BE KEPT ADVISED OF ANY DEVELOPMENTS IN THIS MATTER LEARNED BY MILWAUKEE OFFICE.

AM COPY SENT SPRINGFIELD.

RECEIVED: 8:45 PM MSE

ccm J.L.

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

*N R
11-17-66
RER*

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

453 PM URGENT 11-17-66 BLS
 TO DIRECTOR AND MILWAUKEE
 FROM SPRINGFIELD 172120

ATTENTION T. J. MC ANDREWS, DIVISION NINE.

JUNE.

FRANK PETER BALISTRIERI, AKA, AR.

RE MILWAUKEE AIRTEL AND TELS NOVEMBER 15, LAST.

DEPARTMENTAL ATTORNEY [REDACTED] ADVISED NOVEMBER 16 LAST,
 OF BUREAU APPROVED ANSWERS TO THREE QUESTIONS RAISED BY HIM
 IN CONNECTION WITH PRODUCTION OF [REDACTED] REFERRED
 TO IN REFERENCED COMMUNICATIONS. TODAY [REDACTED] ADVISED

BALISTRIERI NOW STATES DOES NOT DESIRE TO HEAR CONTENTS OF

[REDACTED] SUBSEQUENTLY, JUDGE POOS, ORDERED [REDACTED]
 [REDACTED] BE HELD IN POSSESSION BY DEPARTMENTAL ATTORNEY
 [REDACTED] FOR POSSIBLE REVIEW AT A LATER DATE. IN VIEW OF THESE

b6
 b7C
 b7E

EX-103
 REC-23 92-3116-443

4 NOV 21 1966

A283
 NOV 20 1966

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 2 FROM SPRINGFIELD 172120

DEVELOPMENTS, [REDACTED] NOT DISCLOSED TO BALISTRIERI
OR HIS ATTORNEY, HOWEVER, THEY HAVE BEEN TURNED OVER TO AND
ARE IN THE POSSESSION OF DEPARTMENTAL ATTORNEY [REDACTED] AS OF
TODAY.

b6
b7C
b7E

RECEIVED: 6:11 PM JRL

UNITED STATES GOVERNMENT

Memorandum

TO : MR. TOLSON

DATE: November 17, 1966

FROM : C. D. DE LOACH

SUBJECT: FRANK BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Nick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

On November 16, 1966, Assistant Attorney General Mitchell Rogovin advised that the Balistrieri trial in Springfield appears to have simmered down insofar as the issue of electronic coverage is concerned as the Judge indicated that he had heard enough argument on electronic devices at this time and ordered the Government to proceed with the tax case against Balistrieri. He granted the defense leave to reopen the electronic listening device aspect at the end of the trial if the facts developed during the trial warranted this.

Rogovin inquired as to whether or not we had microphone coverage on [redacted] and [redacted]

Rogovin was advised subsequently that we had previously informed him these individuals were involved in our microphone coverage and that the appropriate logs were being obtained from the field. The logs on [redacted] were furnished to him on November 16, 1966, and the logs on [redacted] will be furnished on November 19.

b6
b7c

RECOMMENDATION

For record purposes.

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. Stanley
- 1 - Mr. McAndrews

CDD:LS
(5)

DEC 12 1966

ST-107
REC-59

92-316-444

3 NOV 22 1966

NINE

F B I

Date: 11/12/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTELAIR MAIL REGISTERED

(Priority)

TO: DIRECTOR, FBI ATTN: SECTION CHIEF JUNE
THOMAS MC ANDREWS

FROM: SAC, MILWAUKEE (66-950)

SUBJECT: FRANK PETER BALISTRERI
 AR

Re telephone calls Bureau and Milwaukee 11/11/66, and Chicago teletype to Bureau captioned "CRIMINAL INTELLIGENCE PROGRAM, Chicago Division. Pursuant to Bureau's request on 11/11/66, review of Milwaukee Office files established location in [redacted] where microphone was placed during that coverage and the fact that same was subsequently recovered. It was noted microphone installed in [redacted] removed subsequent to source being discontinued.

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b7E

For Bureau's information, there are enclosed 2 copies of clipping from Milwaukee Sentinel newspaper, part I, page 5, of 11/12/66 morning edition relating to FRANK BALISTRERI tax trial and testimony of SA [redacted] at Springfield. It is noted the article advises Circuit Judge GEORGE D. YOUNG, president of Milwaukee Bar, made press release for himself and Attorney [redacted] referring unfavorably to publicized testimony concerning microphone coverage of un-named attorney in Milwaukee in connection with BALISTRERI matter. It is noted the clipping states that Judge YOUNG stated that he had requested Judge OMER POOS to furnish a transcript of SA [redacted] testimony and if records show the newspaper accounts to be accurate, "Chances are we will pursue," our investigation, not elaborating further.

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b7C

Milwaukee Office will be alert for any additional developments along above lines and Bureau will be kept advised.

③ Bureau (encls.-2) (b)(7)(D)
 1-Milwaukee
 PHF:mk

AM RM

92-3116-445
 20 NOV 14 1966

(4)

Approved: _____

Sent _____ M Per _____

Special Agent in Charge

F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

Regarding referenced Chicago teletype 11/10/66, air mail copy of which was received 11/12/66 at Milwaukee, it is noted that SAC, Milwaukee, has definitely determined that the only electronic device associated with BALISTEER FRINZI [redacted] coverage.

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b7E

Foregoing for information of Bureau.

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

(Mount Clipping in Space Below)

Bar Units Hit 'Bugging'

The presidents of the Milwaukee and Wisconsin bar associations Friday expressed concern over the disclosure by a federal agent that he hid a microphone in the office of an unnamed attorney during his investigation into

the tax evasion case of Frank P. Balistreri.

Circuit Judge George D. Young, president of the Milwaukee bar, issued a press release for himself and Atty. Ray T. McCann, president of the state bar.

It started that Young and McCann were disturbed by newspaper accounts of Balistreri's trial in federal court at Springfield, Ill., which told of an FBI agent testifying that he "bugged" the office of a Milwaukee attorney on W. Wisconsin av.

The testimony was given by Joseph E. O'Connell, special agent for the FBI in Milwaukee. He testified during Balistreri's trial last week that he had arranged for installation of a microphone in the lawyer's office, and that it had been removed sometime in 1963.

"The right of a troubled

person to confer with an attorney in private is virtually sacred and has been protected by law for centuries," Judge Young said.

"Let it be understood that the state bar and the Milwaukee Bar association have the utmost respect for all law enforcement agencies and are aware of the difficulties these agencies have, but if the foregoing report is true, the bar associations cannot refrain from expressing their abhorrence for the disregard in violation of the ancient privilege existing between lawyer and client."

Judge Young said that he had written to Balistreri's trial judge, Omer Poos, requesting a transcript of O'Connell's testimony.

If the records show that the newspaper reports are accurate, said Judge Young, "chances are we will pursue" our investigation.

He did not elaborate.

The trial for Balistreri, Milwaukee night club operator who lives at 3043 N. Shepard Av., has been in recess since Nov. 4. It is to resume next Tuesday.

(Indicate page, name of newspaper, city and state.)

MILWAUKEE SENTINEL
MILWAUKEE, WISCONSIN
PART I, PAGE 5

Date: 11/12/66

Edition: Morning

Author:

Editor: Harry Sonneborn

Title: Frank P. Balistreri

Character: Income Tax
or
Matters

Classification: 5-0

Submitting Office: Milwaukee

 Being Investigated

R2-3116 445

ENCLOSURE

UNITED STATES

MENT

Memorandum

TO : Mr. DeLoach

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI "June"
ANTI-RACKETEERING

DATE: November 7, 1966

Tolson
DeLoach
Mohr
White
Casper
Callahan
Conrad
Felt
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

[redacted] Departmental attorney, who has been trying the Balistrieri case in Springfield, Illinois, dropped by my office this morning and talked with Section Chief McAndrews and me concerning the trial in Springfield.

[redacted] stated that SA [redacted] made a splendid witness for the Government under searching cross-examination. [redacted] added that Maurice Walsh, defense attorney, has indicated that he will press to determine from former SACs of the Milwaukee Office as to whether or not there were any other pertinent microphones involved in this case. This should take place when court resumes next Monday. There were no other microphones involved other than those of which the court is aware.

[redacted] also stated that Dominic Frinzi, the Milwaukee attorney on whom we had microphones coverage, has indicated that he intends to write to the United States Attorney in Milwaukee asking what action is going to be taken concerning the invasion of his privacy and has indicated orally that he intends to seek a civil remedy from the Government for the alleged invasion of his privacy. According to [redacted] the microphone coverage of Frinzi, which has been made available to the judge and not to defense counsel, came up in the latter part of last week's hearings and the judge ordered that the fact of this coverage should be made known to defense counsel. It was in this fashion that even though Frinzi's name was not mentioned in court that Frinzi was able to piece together information which satisfied him that he was the subject of this coverage.

[redacted] stated that, of course, there is always a serious question as to whether the Government's best interests are served in pressing a case involving extensive microphone coverage. He noted that in this case, they have, in his opinion, a good valid tax case against Balistrieri, but that the microphone matter has complicated the case.

1 - Mr. DeLoach

1 - Mr. Gale

1 - Mr. McAndrews

6 MAY-2 MR. LEGGETT

5 NOV 30 1966 F 140

REC 53

EX-113

CONTINUED - OVER

NOV. 22 1966

FBI - MILWAUKEE

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

He advised that decisions as to whether or not to prosecute a given case involving microphone coverage is only made at the highest level in the Department.

In addition to our former SACs in Milwaukee, who probably will be called next week, it was [redacted] opinion that SA [redacted] the liaison agent with the Milwaukee telephone company will also be called again and in the event of civil suit by Frinzi will also probably be called in that connection since he installed that coverage. In the latter event and in line with [redacted] belief that this type hearing is disadvantageous b6 to the Government, he volunteered an opinion that in order not to make things too simple for Frinzi in civil litigation, it might be advantageous for the Bureau to consider the transfer of [redacted] from the Milwaukee area. b7c

In this connection, in the event Frinzi filed civil litigation in state court, prior removal of [redacted] from the Milwaukee Office would take him outside the jurisdiction of state courts. In the event, however, litigation is brought by Frinzi in Federal Court, he would, of course, be available wherever he was assigned.

ACTION:

For record purposes. You will be advised of all pertinent developments in this connection.

We should object to SAC's being called - Just as we did last week.

V.

JES

✓
We should object to SAC's being called - Just as we did last week.

D.

RJH *MW* *GHD*

TELETYPE UNIT

NOV 10 1966

ENCODED MESSAGE

WA -1- 3:52 PM CST EH

URGENT 11-10-66 RMF
TO DIRECTOR
FROM CHICAGO

Mr. Tolson	.....
Mr. DeLoach	.....
Mr. Mohr	.....
Mr. Wick	.....
Mr. Casper	.....
Mr. Callahan	.....
Mr. Conrad	.....
Mr. Felt	.....
Mr. Gale	.....
Mr. Rosen	.....
Mr. Sullivan	.....
Mr. Tavel	.....
Mr. Trotter	.....
Tele. Room	.....
Miss Holmes	.....
Miss Gandy	.....

CRIMINAL INTELLIGENCE PROGRAM, CHICAGO DIVISION.

AUSA [REDACTED] ADVISED NOV TEN INSTANT HAD

CONVERSATION LAST NIGHT WITH FORMER AUSA [REDACTED]

AND NOW HOODLUM ATTORNEY. [REDACTED] TOLD [REDACTED] THAT

ASSOCIATE MAURICE WALSH CURRENTLY DEFENDING FRANKBALISTRIERI IN TAX CASE AT SPRINGFIELD, ILL. STATED WALSH

HAS THREE MICROPHONES WHICH HE DISCOVERED WERE UTILIZED IN

INVESTIGATION OF BALISTRIERI INCLUDING ONE WHICH WAS LOCATED

[REDACTED]
 INDICATED WALSH FULLY INTENDS TO WAVE THESE MICROPHONES BEFORE
 COURT AND QUESTION WITNESSES CONNECTED THEREWITH UNTIL HE CAN DRAW
 DIRECTOR HOOVER DIRECTLY INTO THIS MATTER. [REDACTED]

STATED [REDACTED] APPEARED ELATED OVER FOREGOING.

AM RM COPY SPRINGFIELD AND MILWAUKEE.

ENDFZGC

AKJ

FBI WASH D C

memo Hale to DeLoach
 11-12-66

CHS/marney
 05 NOV 30 1966
 CC: MR. GALE

REG'D 27-FEB
 93-3116-447

3 NOV 22 1966

MR. DELOACH FOR THE DIRECTOR

b6
 b7C
 b7E

Memorandum to Mr. DeLoach
Re: Frank Balistrieri

microphones allegedly in the possession of Balistrieri is one utilized by the Bureau. We do know that during the time we had microphone coverage on Balistrieri [redacted]
Balistrieri did [redacted] enter the location due [redacted] to security reasons.

However, the microphone used in [redacted] was retrieved by the Milwaukee Office when we discontinued our coverage on June 8, 1962.

Walsh apparently has been doing some popping off and bragging about what he contemplates doing; however, as noted above, the Department has already made full disclosure to the court concerning our microphone coverage. The logs which were made available to the court and attorneys were fully reviewed by Departmental attorneys who have advised they contain no information which had anything to do with the tax case concerning Balistrieri. The Department has indicated that they feel that the judge will not allow the defense attorneys to broaden their inquiry in this connection. They have further advised that they feel the judge will limit further inquiry by the defense to the possible subpoenaing of the SAC of the Milwaukee Office who, of course, would testify to the facts which have already been fully disclosed to the court.

ACTION:

This matter is being followed closely and you will be kept advised.

b6
b7C
b7E

UNITED STATES GOVERNMENT

Memorandum

TO : MR. DE LOACH

FROM : J. H. Gale

SUBJECT: FRANK BALISTRIERI
ANTI-RACKETEERING

DATE: November 12, 1966

Vpcc 12/3
Tolson _____
DeLoach _____
Mohr _____
Nielson _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Special Agent in Charge, Chicago, advises that Maurice Walsh, one of the attorneys defending Frank Balistrieri in his current tax trial at Springfield, Illinois, made the statement that he intends to produce three microphones before the court and question witnesses concerning them and try to bring the Director's name into this matter. He allegedly indicated that microphones were used in investigation of Balistrieri and that one of them was located [redacted]

12/12
Balistrieri, of course, was under intensive investigation by both the Internal Revenue Service for considerable length of time as well as the Bureau, since he is the leading hoodlum in Milwaukee and in fact is the leader of the La Cosa Nostra in Wisconsin. During our investigation of Balistrieri, we did have microphone coverage on his office. We also had microphone coverage on [redacted]

for Balistrieri; however, this microphone coverage [redacted]

[redacted] We received confidential information from the Department that [redacted]

[redacted] however, we do not know where such coverage was maintained.

As far as the Bureau's microphone coverage in the Balistrieri case is concerned, the Department has admitted to the court that such microphone coverage was maintained and logs from our coverage have been furnished to the court and made available to the defense attorneys. During a preliminary hearing in the Balistrieri tax case, our Agent from Milwaukee testified to the fact that we did have microphone coverage in the Balistrieri case. During the hearing, at which our Agent testified, Balistrieri exhibited a microphone and inquired of the Agent if he could identify the microphone and the Agent stated he could not. We do not know whether any of the three

- 1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. Stanley
1 - Mr. McAndrews

25 NOV 30 1972

6 CHAS:mc (6)
7 PM

REC 22

EX-12

93-3116-448

8 NOV 22 1966

CONTINUED - OVER

COPY SENT TO MR. TOLSON

14
The Acting Attorney General
REC 10 92-3116-449
Director, FBI

November 28, 1966

21-EX-3 FRANK PETER BALISTRIERI
ANTI-RACKETEERING

- 1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

The following information was received on a very confidential basis November 21, 1966, from an individual who comes in contact with a number of Milwaukee hoodlums:

Our source advised that [redacted]

[redacted] b7D

(1) [redacted]

(2) [redacted] b7D

(3) [redacted]

(4) [redacted] b7D

(5) [redacted]

JGL:tjm 11/29/66 S 11/29/66
SEE NOTE PAGE 2 ✓ JGL: tjm 11/29/66
(9) FWD 11/29/66

b6
b7C
b7D

MAILED 3
11/23/1966
COMM-FBI

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

SEE NOTE PAGE 2

JGL:tjm

(9) FWD

NOV 29 1966

MAIL ROOM TELETYPE UNIT

The Acting Attorney General

(G) [redacted]

b7D

Our source has advised that [redacted]

b7D

Our source has pointed out specifically that the foregoing information was obtained by him under circumstances in which dissemination of this material could readily compromise him and endanger his personal safety.

This is for your information.

1 - The Deputy Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

1 - Mr. Fred M. Vinson, Jr.
Assistant Attorney General

NOTE: In connection with the income tax trial of Milwaukee La Cosa Nostra leader Balistreri, a copy of logs containing information received from the microphone coverage of Milwaukee attorney, Frinzi's office was furnished to the Department, which made the logs available to the court hearing the Balistreri case and which logs apparently also came to the attention of chief Balistreri defense counsel Maurice Walsh. Source of the above information is [redacted] a legitimate businessman who comes in contact with Milwaukee hoodlums and who has furnished reliable information in the past.

b7D

F B I

Date: 11/23/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL *URGENT*
(Priority)

TO : DIRECTOR, FBI (92-3116)

FROM : SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: MILWAUKEE

The following is submitted for the Bureau's **REC 10** information in connection with the Federal income tax trial of FRANK PETER BALISTRIERI in USDC, Springfield, Illinois, it being noted that the trial recessed on 11/16/66, and is to resume again on 12/1/66. As the Bureau is aware, it was disclosed during the course of proceedings at this trial, that there was an FBI electronic surveillance in 1963, on the office of DOMINIC FRINZI, a Milwaukee attorney. The identity of this electronic surveillance (misur) as being specifically on FRINZI'S office, was made public in news releases reporting on the BALISTRIERI trial. *Wise*

On 11/21/66, [redacted] who has furnished reliable information in the past, and who is a legitimate businessman, who comes in contact with a number of Milwaukee hoodlums, furnished the following information to SAs CARLYLE N. REED and [redacted] at Milwaukee, Wisconsin:

Informant met [redacted]
[redacted] and the informant was the only one present
[redacted]

REC 10 *94-316-449*

(3)- Bureau (92-3116) (AM) (RM)
2 - Milwaukee (1-94-316) [redacted]
CNR/mem
(5)

Approved: PAJ Sent 11-24-66 M Per _____
Special Agent in Charge

b6
b7C
b7D

b7D

b7D

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 94-316

1) [redacted]

2) [redacted]

3) [redacted]

4) [redacted]

5) [redacted]

6) [redacted]

b7D

b7D

b6
b7C
b7D

b7D

- 2 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 94-316

According to [redacted]

b7D

In addition, informant stated that the reports
circulating [redacted]

[redacted] Milwaukee. Informant
speculated that [redacted]

b7D

INFORMANT POINTED OUT THAT THE ABOVE INFORMATION
WAS OBTAINED [redacted] THERE WAS NO
ONE ELSE PRESENT [redacted] DISSEMI-
NATION OF THE FOREGOING INFORMATION COULD READILY COMPROMISE
INFORMANT AND ENDANGER HIS PERSONAL SAFETY. ACCORDINGLY,
IT IS REQUESTED THAT NO DISSEMINATION BE MADE OF THIS
INFORMATION.

b7D

- 3*-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: November 5, 1966

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL - REGISTERED
(Priority)TO : DIRECTOR, FBI (92-3116)
ATTN: SECTION CHIEF, THOMAS J. MC ANDREWS
FROM: SAC, MILWAUKEE (94-316)JUNEFRANK PETER BALISTRIERI
AR

Re Milwaukee telephone call to Bureau 11-4-66, also Milwaukee telephone calls to Bureau, 11/2/66, and 11/3/66.

The Milwaukee Sentinel newspaper issue of 11-4-66, contains an article on page 1, part 1, entitled "IRS Agents Armed in 1962, Court is Told," dateline Springfield, Ill., which gives an account of testimony given at the trial of Subject on 11-3-66, copy enclosed.

[redacted] is identified as a Special IRS Agent who, in testifying, was asked to identify a notation on his work sheet for 10-7-62 which read "Issued weapons - search lower Third Ward area." [redacted] reportedly explained to Attorney Maurice J. Walsh, representing BALISTRIERI, that IRS had received information that somebody was going to break into its Federal Building office and take the BALISTRIERI records. [redacted] said he got a telephone call from [redacted] and at his request issued firearms to two Inspectors in the IRS office. He said they were stationed there on a Sunday, when the offices were normally closed. [redacted] did not tell him according to the article, where he received the information. [redacted] testified he asked [redacted] later, and was told "the less I know about it the better." [redacted] gave to [redacted] according to testimony, the license number of an automobile and told him to drive around the area near the Federal Building in Milwaukee, in an attempt to locate the vehicle. He said he did not locate it.

[redacted] in testimony, according to this article, at first said he could not recall the incident, but when informed of [redacted] testimony [redacted] said that an FBI Agent named GASSOWAY had told him that the IRS office might be broken into. [redacted] testified GASSOWAY had given him the last name only of the person he suspected would break into the office. He said that the last name was that of "an IRS employee who has since left the service." [redacted] said that he and [redacted] found out the license number of the employee's

3 - Bureau (Air Mail - Registered) (Enc. 2)

2 - Milwaukee (1 - 94-316; 1 - 66-950)

JWL:mcs PHF:duz

(5)

Approved: [Signature] Sent _____ M Per _____
Special Agent in Charge

4 NOV 21 1966

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b7Cb6
b7C

REC 53 92-3116-450

RO

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

Airtel to Bureau (92-3116)
 MI 94-316
 11-4-66

Page 2

car, and he had asked [redacted] to watch for the license number. Both Agents of IRS, according to the article, testified that there was no attempt to break into the office and that no records were taken.

Later on in this news article [redacted] who is prosecuting the case, objected to the name of the suspected IRS employee being introduced. This objection was proposed after WALSH reportedly said he was interested in the incident because "I think this is some more bug business. It is another incident of FBI cooperation with the IRS." [redacted] reportedly stated that "Nothing happened - it's just a story," and WALSH replied, "It's just a story picked up on the surveillances." WALSH said he wanted to know the name of the agent, to see if any other matters related to the incident appeared on the IRS logs. Judge PCOS, who is presiding over instant trial, told [redacted] to give the name to WALSH in confidence. According to the article, [redacted] wrote something on a piece of paper and handed it to WALSH.

Bureau attention is invited to Milwaukee letter to Bureau entitled [redacted] dated 10-10-62, [redacted] which sets forth on page 19, information supplied to [redacted] on 10-6-62, as made available by [redacted] and is substantially the same as the information referred to in the above-mentioned news article.

Further review of Milwaukee files concerning this particular information reveals an FD-209 dated 10-17-62, located in [redacted] entitled [redacted] which contains the original information as is set forth in the above-mentioned Milwaukee Airtel. This information noted in the FD-209 was supplied by [redacted] to SA JOHN H. GASSAWAY (now retired) on 10-6-62. SA GASSAWAY noted in this record that he had supplied the information immediately to [redacted]. It will be noted [redacted] is a discontinued informant in the Milwaukee office.

This is being furnished to the Bureau for information.

Approved: _____ Sent: _____ M Per: _____
 Special Agent in Charge

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b7Cb6
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b7Db6
b7C
b7D

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

Airtel to Bureau (92-3116)
MI 94-316
11-5-66

Page 3

On 11/2/66, USA JAMES B. BRENNAN, EDW, telephonically advised SAC, Milwaukee, from Springfield, Illinois, that the defense in the BALISTRERI tax case had raised a question concerning attorney WALSH's motion, a copy of which was mailed by cover letter dated 10/13/66, to USA BRENNAN, advising WALSH intended to file the motion on the first day of trial, 10/17/66. According to BRENNAN, WALSH had now made reference to a communication from FBI headquarters to the Department dated 9/29/66, which furnished data regarding technical coverage of individuals involved in the BALISTRERI case. WALSH had raised the question to the court in chambers as to why the 9/29/66, data was sent to the department at this time and left the implication that it might have been sent because of current information indicating WALSH intended to file the above-mentioned motion relating to suppression of evidence with any connection to electronic devices. Pursuant to telephonic discussion with the Bureau, 11/2/66, it was agreed the Bureau's position is that this information was sent to the Department at this time in view of earlier Departmental request that it be advised concerning such coverage and that SAC, Milwaukee testify if requested that we have no current technical coverage on BALISTRERI and no such coverage prompted the data being sent to the Department as of 9/29/66.

For the Bureau's information, inasmuch as testimony by SA [redacted] resolved the question of any current electronic coverage of BALISTRERI, it did not become necessary that testimony be given by SAC, Milwaukee in this regard.

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In regard to SA [redacted] testimony on 11/3/66, of which the Bureau was advised telephonically on that date, there is enclosed a Xerox copy of the court record setting forth SA [redacted] testimony verbatim.

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

Airtel to Bureau (92-3116)
 MI 94-316
 11-5-66

Page 4

In connection with this testimony, [redacted] Departmental tax attorney, advised SAC, Milwaukee at Springfield, on 11/4/66, that Attorney WALSH after reviewing the testimony of 11/3/66, had indicated in comments in court on 11/4/66, that he desired to ascertain who approved the electronic surveillances in the three instances concerning which testimony was given.

[redacted] stated WALSH assumed that the Agent in Charge approved such installations but was interested in ascertaining through testimony who ultimately approved them. [redacted] asked whether any one person at FBI Headquarters would approve of such installations. SAC, Milwaukee advised [redacted] that all technical installations are approved by the Attorney General. SAC, Milwaukee advised him that he would need to go to the Department to ascertain the procedure for such approval. [redacted] then indicated WALSH appeared to be interested in the administrative procedure involved in ultimate approval of installations. He was then advised that this would be a matter handled at the Bureau level and it would be necessary for him to consult the Department in this regard, reiterating that it would not appear to the SAC that the administrative procedure is the material fact here and if WALSH desired to know who ultimately approved such installations, the answer is that they are approved by the Attorney General. [redacted] then indicated that some request in this area would probably be forthcoming soon to the Bureau from the Department.

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[redacted] further advised SAC, Milwaukee that unless some problem arose concerning the photographs of material taken [redacted]
 [redacted] as regards the trespassing involved, he did not think any further testimony by SA [redacted] would be required. He advised, however, that it might be necessary for the SAC to return to Springfield in regard to possible testimony concerning approval for electronic installations. [redacted] also advised that he had recommended to Departmental Officials that former Milwaukee SACs KISSIAH, STODDARD, and BAKER not be called to

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Approved: _____ Sent: _____ M Per: _____
 Special Agent in Charge

F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 94-316
Airtel to Bureau (92-3116)
11-5-66

Page 5

testify but it was not certain at this time whether they would be called.

He noted court would not be in session next week but would re-convene on 11/14/66. SAC, Milwaukee and SA [redacted] returned to Milwaukee, evening of 11/4/66.

Foregoing is for Bureau's information, and Bureau will be kept advised concerning any pertinent information received by Milwaukee Office.

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b7C

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

UNITED STATE

MENT

Memorandum

TO : Mr. Gale

FROM : T. J. Mc Andrews

SUBJECT: FRANK BALISTREIERI
ANTI-RACKETEERING

DATE: November 11, 1966

JUNE

On November 11, 1966, SA [redacted] of the Milwaukee Office was telephonically contacted with respect to details concerning the MISUR installation covering [redacted]

SA [redacted] advised that there was only one microphone used in the coverage established at [redacted]
This was placed [redacted]
SA [redacted] stated that no coverage was put into effect in [redacted]

SA [redacted] also stated that all Bureau property used in connection with confidential coverage [redacted] was retrieved.

ACTION:

For information.

- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett
- 1 - Mr. Kelly

JEK:ghw
(5) *[Signature]*

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

b6
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REQ 101

92-2116-451

4 NOV 21 1966

ROZANUS
SPECIAL AGENT IN CHARGE

10 DEC 5 1966

SPECIAL INVESTIGA

1 TISION

66

Walsh is the attorney who has been conducting pre-trial examination of Bureau personnel in connection with motion to suppress evidence in the trial of Milwaukee hoodlum Balistreri for income tax violations.

JG
McA:djg



Tolson
 DeLoach
 Mohr
 Wirk
 Casper
 Callahan
 Conrad
 Felt
 Gale
 Rosen
 Sullivan
 Tavel
 Trotter
 Tele. Room
 Holmes
 Gandy

NA
 11-29-66
 RAK

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

855 PM URGENT 11-29-66 JSM

TO DIRECTOR
 FROM MILWAUKEE 300120

JUNE.

FRANK PETER BALISTRIERI, AR. *Anti-Racketeering*

Mike L
REC 61

RE MILWAUKEE TELEPHONE CALL TO BUREAU NOVEMBER 29, 1966.

ON NOVEMBER 29, 1966, [REDACTED] DEPARTMENTAL TAX ATTORNEY TELEPHONICALLY ADVISED SAC MILWAUKEE THAT WALSH, DEFENSE ATTORNEY, REPRESENTING BALISTRIERI SUFFERED A CORONARY THROMBOSIS IN SPRINGFIELD, ILLINOIS THIS DATE AND IS PRESENTLY HOSPITALIZED SPRINGFIELD. PRESENT CONDITION OF WALSH NOT KNOWN BUT REPORT EXPECTED BY SATURDAY, DECEMBER 3, 1966.

[REDACTED] STATED WALSH WILL PROBABLY BE UNABLE TO RESUME AS DEFENSE ATTORNEY FOR SEVERAL WEEKS. THE COURT HAS INSTRUCTED JURY NOT TO REPORT FOR TRIAL UNTIL FURTHER NOTICE. [REDACTED]

STATED HE WOULD KEEP SAC MILWAUKEE ADVISED OF CURRENT DEVELOPMENTS.

RECEIVED: 10:02 PM RAK

11 DEC 1 1966

11-29-66-452

No
SPECIAL INVESTIGA

12, 1966

VISION

Balistrieri trial recessed 11/17-18/66 due to illness of a juror who is expected to return 12/1/66. U. S. Attorney Brennan advises Government expects to complete case by Saturday, 12/3/66, and defense will then proceed to put on their case.

Brennan advises defense attorney Walsh is in touch with Edward Bennett Williams concerning strategy to be used in attempt to show case tainted by Bureau microphone surveillance. Walsh may take approach that Government has burden of proving tax case is free of taint in which event Brennan feels Walsh may not be in a position to require testimony of a number of Milwaukee FBI personnel.

JGL:tjm

glb 11/18

P
JGL

FBI

Date: 11/21/36

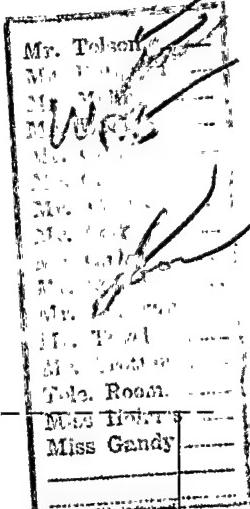
Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR ANTI-RACIAL



On 11/21/66 USA JAMES B. BRENNAN, EDW, discussed current status of BALISTRIERI tax case with SAC, Milwaukee. USA BRENNAN noted that court was recessed on Thursday and Friday of last week, 11/17-18/66, in view of illness of one of jurors. He stated it was hoped the juror would be well again for resumption of case by 12/1/66. Court was officially recessed for current week. USA BRENNAN stated the Government attorneys might return to Springfield by 11/30/66 but felt that court would probably not be resumed until previously indicated date of 12/1/66. He advised that under the current ruling of Judge HOMER POOS the Government will proceed to complete the Government's case and hoped to do so by Saturday, 12/3/66. At such time the defense attorneys will proceed to put on the defense.

USA BRENNAN stated that comments by defense attorney WALSH indicated defense attorneys may attempt at the end of the Government's case to present a "summing up" motion, again raising the argument that the tax case remains tainted by information received from FBI obtained through electronic surveillances and that the Government has not shown that the Government tax case is free from such taint.

USA BRENNAN confidentially advised that his information is that WALSH has been having discussions with EDWARD BENNETT WILLIAMS who is handling the BAKER case and that the two are apparently discussing how to attempt alternate approaches to these similar cases. According to USA BRENNAN, whereas attorney WILLIAMS has called a number of FBI personnel to testify concerning technical coverage, indicating that WILLIAMS has assumed the burden of proving taint from the electronically obtained data, WALSH may now take the

(3)-Bureau (enc 1-1) AM PM
1-Milwaukee
PHF:mk
(4) **ENCLOSURE**

I may now take the
70 3116-453

© NOV. 22 1966

Approved:  Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

approach that the Government in BALISTRERI case has the burden of proving itself that the tax case is free from taint. USA BRENNAN stated if WALSH sticks to comments he has made concerning Government having the burden in this area, WALSH will not then be in a good position to demand that number of Milwaukee FBI personnel should personally appear to testify concerning the matters which they monitored. If such personnel were called, this would show that the defense is assuming the burden of proving taint.

USA BRENNAN advised that he would let Milwaukee Office know of any pertinent developments which may take place during current week while court is not in session.

It is noted that earlier objections were made by defense attorneys as to admissibility of a number of exhibits in the tax case which the Government contended furnished evidence not tainted by emanating from evidence seized by Internal Revenue Service on a search warrant subsequently declared illegal in USDC.

For Bureau's information, there is enclosed copy of Judge HOMER COOK's order which was made 11/1/66 over-ruling the defense objections to the tax case exhibits and admitting same subject to standing objections on the grounds of materiality and relevancy.

The Bureau will be kept advised of any pertinent developments in this matter learned by Milwaukee Office.

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

Enclosure

92-316-453

- 2 -

proceedings, in which any of the seized property was being offered in evidence. This Court, for all purposes of this trial, has suppressed for use as evidence all property seized by the Government upon execution of the warrant on September 21, 1962, and ordered returned by Judge Grubb. (Tr. 21-22). This Court has also ordered suppressed certain evidence which the Government admits it obtained illegally. (Tr. 12-13, 28-29).

This Court has held several hearings in response to defendant's pretrial motions to suppress evidence and motions objecting to the admissibility of evidence on the ground that the evidence falls within this Court's suppression orders. Insofar as those hearings relate to defendant's objection as to the admissibility of Government's Exhibit numbered 311 to 323 inclusive, and the testimony of Miss I. Jewett concerning the relationship if any between those exhibits and Government's Exhibit numbered 49, this Court now finds the following facts:

1. On July 7, 1961, Special Agent Schmidbach of the Internal Revenue Service did receive, in connection with a then active investigation of the tax liability of Frank Peter Galliher, a mail cover report from Postal Inspector Gato which listed first class mail addressed to 340 W. Wells Street, Milwaukee, Wisconsin. (Tr. 126, 530; Gov't Papers No. 9, page 16 from the back). That report reflected a letter addressed to Midwest Scrap Metal, the sender's identification address as P. O. Box 1203 and a postmark date of 7/5/61.
2. Within a day or two thereafter, P.O. Box 1203 was determined to be the Post Office Box number of the First Wisconsin National Bank of Milwaukee, Milwaukee, Wisconsin, and an Internal Revenue Service lead card was prepared by Special Agent Jackson. (Tr. 126, 519, 521, 530; Govt. Motion Ex. 8, 8A).
3. On August 7, 1961, Special Agent Schmidbach received another mail cover report from Inspector Gato listing all first class mail addressed to 629 N. 3rd Street, Milwaukee, Wisconsin. (Tr. 536-542; Govt. Papers 8, page 17 from the back). That report reflected a letter addressed to Callaghers, the sender's identification as Altex Corporation, 1426 Arcadian Avenue, Milwaukee, Wisconsin, and cancellation date of July 19, 1961.

- 2 -

4. Within a day or two thereafter, Special Agent Jackson made out a lead card for Altex Corporation. (Tr. 545; Gov't Motion Ex. #2).

5. Information already known to the Internal Revenue Service indicated that Frank Ballistreri had an interest in Gallagher's Steak House, located at 629 N. 3rd St., Milwaukee, Wisconsin and that the business located at this address was also known as The Pub, Inc., Barchester, Milwaukee Tradewinds, Inc., and Gallagher's. (Tr. 133).

6. The search warrant executed on September 26, 1962, did not include in its description of property sought records of Midwest Scrap Metal Company. (Tr. 123; see also Aliote v. United States, 216 F. Supp. 48, 49, (L. D. Wisc., 1963). Records of Midwest were, however, seized in execution of the warrant including carbon copies of the original documents now identified as Government's Exhibits for Identification numbered 311 to 323 inclusive, the original cancelled checks of Government's Exhibit Numbered 49 and the original bank statements of Government's Exhibit Numbered 48. (Tr. 524; Group Exhibit Ex. 1).

7. Subsequent to September 26, 1962, and up to April 16, 1963, Revenue Service personnel inventoried all documents seized in the raid and made microfilm or photocopies of substantially all documents seized. (Gov't Motion Ex. #7; Deft. Ex. 8; Group Ex. #1).

8. On December 19, 1962, Special Agent Jackson, extracted information from the lead card identified as Government Motion Exhibit Numbered 8A and contacted officers of Altex Corporation concerning Altex's business relationship with Midwest Scrap Metal Company. (Tr. 523; Gov't Motion Ex. #7, entry dated Dec. 19, 1962.) Government's Motion Exhibit Number 7 also contains an entry dated December 20, 1962, reflecting that Special Agent Jackson spent eight hours at Altex examining records.

9. On January 3, 1963, Special Agent Jackson, on the basis of information obtained from the Altex Corporation, contacted one Moray Cohen and secured from him records of A. Cohen and Sons Company, Milwaukee, Wisconsin, pertaining to the purchases of scrap metal by the company from the Midwest Scrap Metal Company. (Tr. 523; Gov't Motion Ex. #7, entry dated 1-3-63).

10. On January 11, 1963, records of A. Cohen and Sons were produced in response to Revenue Service summons issued by Special Agent Jackson on January 3, 1963. (Gov't. Motion Ex. #7).

11. Hearing on Motion to Return and Suppress property seized on September 26, 1962, was held by Judge Grubb during the week of April 7, 1963.

12. On April 18, 1963, or shortly thereafter, the Government, pursuant to the order of Judge Grubb entered on April 18, 1963, returned all property seized on September 26, 1962. Microfilm and photocopies of the seized documents were retained by the Government's agents (Tr. 185-186). They were turned over to defense counsel on October 25, 1966. (Tr. 110-111).

13. An examination of Government's Exhibits for Identification numbered 311 to 323, inclusive, reflects that the bill of lading portion of each of the exhibits contains the signature Santa Carre or S. Carre.

14. Defendant's Exhibit SA contains no leads pointing to Midwest Scrap Metal Company and the Internal Revenue Service obtained no leads from the Federal Bureau of Investigation relative to Midwest Scrap Metal Company. (Tr. 534, Gov't Ex. #4; cf. Gov't Ex. #5, memo dated 10-10-63; Deft. Exhibit #1-3, 5-7).

15. The documents marked as Government's Exhibit for Identification numbered 311 to 323, inclusive, were obtained by the Government from one Mr. Leonard J. Kannenberg, a professional receiver, on July 23, 1963. (Tr. 263-265; Deft. Ex. for Id. #12).

In view of all the aforeslated findings of fact, this Court further finds that the record contains sufficient evidence that the documents objected to above, or copies thereof, were not obtained by the Government through the execution of the search warrant subsequently held to have been invalid, as is charged by the defendant, for the reason that the Government's leads and follow-ups to those leads were obtained and developed independently of the execution of the aforementioned search warrant.

The Court has heard evidence on several occasions from the Government's witnesses, and especially takes note of the testimony of Schmalbach and Jackson.

Jackson testified that he developed the leads from the postal covers and that he did not use the illegally seized property in developing ^{these} leads. Mr. Schmalbach also testified that the leads were not used from the illegally seized ~~evidence~~ ^{evidence} ~~testimony~~. This raises a question of the credibility of witnesses. The Court has heard these witnesses testify in open court, and is of the opinion that their testimony is credible, that no perjury has been committed by either of these agents, and therefore that there is sufficient evidence in this record to justify a finding that the leads used in producing the exhibits above mentioned were not tainted leads, but were leads that were procured elsewhere through the letter cover and not through the illegally seized evidence, and that the records of Altex Corporation did not flow from the seized copies of Midwest, but are an independent source of evidence which the Court in no instance has ever suppressed.

IT IS THEREFORE ORDERED that defendant, Frank Peter Balistreri's aforementioned objections as to the admissibility of Government's Exhibits for identification numbered 311 to 323 inclusive, and as to the aforementioned testimony from Miss I. Jevett are hereby overruled. The exhibits and testimony are hereby admitted, subject however to defendant's standing objections as to materiality and relevancy.

Entered this 1st day of November, 1966.

United States District Judge

UNITED STA'

RNMENT

Memorandum

TO : Mr. DeLoach

DATE: March 7, 1967

FROM : J. H. Gale

SUBJECT: WALL STREET JOURNAL
ARTICLE OF MARCH 6, 1967
REGARDING EFFECT OF ELECTRONIC
SURVEILLANCES ON ORGANIZED
CRIME DRIVE

Tolson _____
DeLoach _____
Mohr _____
Felt _____
Callahan _____
Conrad _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

B1
8-7-1967

The Director has inquired about a statement made in the captioned article which indicates that retired FBI Agent John A. Holtzman invoked the Fifth Amendment to avoid testifying about trespass allegedly committed in placing a microphone in the office of Milwaukee attorney Dominic Frinzi. Frinzi is a close associate of Wisconsin La Cosa Nostra "boss" Frank Balistreri.

The article inaccurately reports that Holtzman's action occurred during a state hearing on a perjury case involving Kenosha, Wisconsin, hoodlum, William Covelli. Actually, Holtzman, during testimony in the income tax prosecution of Balistreri in Springfield, Illinois, United States District Court, stated that if he were required to answer a question concerning trespass in connection with the Frinzi microphone, he would invoke the Fifth Amendment rather than answer. The presiding judge recessed the hearing in which Holtzman was testifying and the matter was discussed in chambers with Government and defense attorneys, following which Balistreri's counsel withdrew the question. Attached is Mr. DeLoach's memorandum of October 19, 1966, which furnished the original details concerning this incident.

The general tenor of this article suggests that the Government's drive against organized crime has been hampered as a result of the Department's practice of disclosure of prior microphone surveillances and enumerates instances in which the Department has made such disclosures. It is quite apparent from reading the article that the writer

ENCLOSURE
Enc.

1 - Mr. DeLoach
1 - Mr. Wick
1 - Mr. Rosen
1 - Mr. Sullivan
1 - Mr. Gale
1 - Mr. Andrews
1 - Mr. Emery
McAfee (3)

92-3116-
NOT RECORDED
102 RUE S. 1967
6 JUL 5 1967

CONTINUED - OVER

55 JUL 17 1967 McAndrews

Jones to Wick
3/21/67
Memorandum
3/21/67
Gale

Memorandum to Mr. DeLoach
Re: Wall Street Journal

has been in contact with Department representatives for source material. In one instance, the writer attributes to an unnamed Department official, a statement that a past technical coverage failed to produce significant information. Mr. DeLoach advised that this view has previously been expressed by former Attorney General Katzenbach during the meetings conducted by the President's Crime Commission. *I Told Katzenbach And Commission*
This Was False. - AD

There is, of course, no question that the Department's disclosure of microphones and resultant discontinuance of same has hurt the organized crime program. In spite of this handicap, the FBI has had very substantial accomplishments in the arrest and conviction of a considerable number of very important La Cosa Nostra hoodlums for violations of various Federal statutes during this fiscal year. In addition to those convictions, we are already well ahead of our position this time last year in convictions under the various gambling statutes and on the basis of arrests or indictments totaling over 350, it can be anticipated that we will exceed our prior accomplishments in the gambling category this year. A number of major La Cosa Nostra gambling operations with nationwide ramifications have been smashed by the Bureau during the current fiscal year.

On April 18, 1966, we cooperated with the Crime Records Division in preparing and having published an article in the "U. S. News and World Report" setting forth highlights of our accomplishments in the drive against organized crime. This was most favorably received and was reported in the Congressional Record. We have similar fresh accomplishments which will lend themselves to an equally interesting article at this time.

ACTION:

If approved, we will prepare material in coordination with the Crime Records Division for publication, itemizing significant accomplishments made by the Bureau during the past year in our drive against organized crime with the view that such article could be published in the "U. S. News and World Report" or some similar vehicle so that our achievements in this field can be accurately set forth for the public.

*Don E. Jones to W. S. J.
See Jones & G. G.
News & World Report*

*✓ Ad. J.W.
J.W.
W
See Jones & G. G.
News & World Report*

Bugging Backlash

Agents' Eavesdropping Hurts U.S. Campaign Against Racketeering

Tainted Evidence May Cause Loss of Some Convictions; Bobby Kennedy Behind It?

An FBI Man Takes the Fifth

By JERRY LANDAUER

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — As President Johnson commits his Administration to costly new combat against crime, an anticrime drive begun with similar fanfare by Robert F. Kennedy six years ago is sputtering to a standstill.

It is a casualty of the renewed controversy about electronic eavesdropping.

The campaign Bobby commanded as Attorney General was aimed at organized crime, and particularly the 24 "families" (criminal clans) said to dominate the Mafia. To it were committed millions of dollars and the investigative resources of 26 Federal agencies, chiefly the FBI and the Internal Revenue Service. Congress enacted six new antiracketeering statutes drawing the FBI more directly into the drive.

And, says Edwyn Silbering, once chief of the organized crime section under RFK, the Attorney General encouraged Federal agents to expand the use of electronic "bugging" apparatus.

Until a year ago, this drive seemed to be gaining ground. In March 1966, Assistant Attorney General Fred M. Vinson Jr., confidently told Congress of "further progress and inroads against the criminal activities perpetrated by organized crime in the U.S."

IRS, FBI Ardor Cools

But now the bugging is having apparently crippling effects on the crime crusade. The IRS, shaken by testimony to a Senate subcommittee that several of its agents broke into private premises to plant microphones, is shying from combat against the mobs. FBI Director J. Edgar Hoover, angered by what he thinks is Mr. Kennedy's attempt to blame the bugging on the FBI, seems less disposed to cooperate with other enforcement agencies.

More threatening to prospects for future success, President Johnson has been persuaded (critics say "stampeded") to propose denying state and local lawmen the right to deploy eavesdropping gear. Most prosecutors and police chiefs insist its use is necessary to penetrate crime cartels.

One reason for the reaction against electronic listening by lawmen can be gleaned from preliminary testimony in a Springfield, Ill., tax-evasion trial that resumes today. The defendant is Frank Balistrieri.

IRS agents gathered evidence for the indictment, which charges that Mr. Balistrieri evaded taxes on income of \$54,330, by using pad, pencil and shoeleather. Simultaneously, FBI agents employing different techniques were seeking intelligence about his suspected membership in a Wisconsin criminal syndicate. The story of their operations has been admitted by the Government in testimony already given in the judge's chambers.

Looking Through a Peephole

To begin with, the FBI agents rented an apartment in Milwaukee under the fictitious name "John A. Hansen." Across the hall lived Jennie Aliotto, bookkeeper for several Balistrieri business enterprises. Through a peephole bored through the door of their rented residence, the agents kept track of her visitors. They also monitored conversations and other sounds beamed from a tiny radio transmitter hidden in her apartment.

Next the FBI broke into the law offices of Dominic Frinzi, an attorney for Mr. Balistrieri, to install a microphone in a ceiling fixture. Telephone lines from that mike were strung to FBI headquarters in the Federal building in Milwaukee. Herbert A. Stein, an executive of the Wisconsin Telephone Co., glanced inside the agents' monitoring room there on one occasion to observe "a tremendous maze of wiring, really."

Then, from March 9, 1964, through June 3, 1965, FBI men similarly bugged Mr. Balistrieri's jukebox sales agency. They dug deep enough into plaster paneling to hide a transistor mike the size of a cigaret pack and bearing code MI-616-C. (In FBI symbolism, "C" stands for electronic surveillance.)

In the headquarters recording room, agents monitored telephone lines from Mr. Balistrieri's place almost around the clock. They gathered 213 pages of transcribed conversation, mostly in the Sicilian dialect of Italian. Some were dispatched to Washington for translation.

Naturally Mr. Balistrieri's lawyers hope to spring him free on the ground that some evidence against him was tainted (evidence obtained by illegal bugging can't be used in Federal court) or because Government agents intruded upon confidential lawyer-client relations. But more is at stake.

FBI Agent Takes the Fifth

In Kenosha, Wis., lawyer Frinzi is defending William "Wheeler" Covelli against charges of perjury for denying visits to a jukebox distributor who later was kidnaped and killed. In that case, retired FBI agent John A. Holtzman has invoked the Fifth Amendment's protection against self-incrimination to avoid testifying about trespasses supposedly committed to plant the bug in Mr. Frinzi's office. Mr. Holtzman is now an Illinois state magistrate. In the same case the Justice Department has invoked the doctrine of executive privilege—a doctrine that communications within a Government agency are entitled to be kept private—to justify the silence of agent Joseph E. O'Connell, who says it is my position to question my superior.

Mr. Tolson
DeLoach
Mohr
Wick
Casper
Callahan
Conrad
Felt
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Sullivan
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Trotter
Tele. Room
Holmes
Gandy

ENCLOSURE

92-3116
NOT RECORDED
02 JUL 1967

Mr. Tolson
DeLoach
5-1-67
ONCP

The Washington Post

Times Herald

The Washington Daily News

The Evening Star (Washington)

The Sunday Star (Washington)

Daily News (New York)

Sunday News (New York)

New York Post

The New York Times

World Journal Tribune

(New York)

The Sun (Baltimore)

The Wall Street Journal

The National Observer

People's World

MAR 6 1967

Date

What about this?

Mr. O'Connell's ultimate source in FBI Director Hoover and Mr. Hoover's superior at the time was Attorney General Kennedy. Mr. Hoover is seething—and not only because his men are being ridiculed ("Imagine a G-man taking the Fifth!" lawyer Frinzi exclaims), and investigated by the Wisconsin Bar Association, and sued for civil damages by Las Vegas casino-owners and others who were bugged. What rankles Mr. Hoover even more is Bobby Kennedy's disclaimer of knowledge about FBI "bugging practices" and his denial that he authorized, much less encouraged, illegal eavesdropping.

Mr. Hoover's position is that such "sparing, carefully controlled" bugging as did occur in Milwaukee and elsewhere not only was authorized but was "obviously increased at Mr. Kennedy's insistence." Former Assistant FBI Director Courtney Evans, liaison officer with the Attorney General's office, is siding with Sen. Kennedy. But Mr. Silberling, Bobby's original choice to head the organized crime section, has in effect become a Hoover ally.

Sitting in his Mineola, N.Y., law office, Mr. Silberling recalls a meeting attended by Messrs. Kennedy and Evans in 1961. "There was a discussion of the organized crime program," he remembers. "Kennedy said: 'I want you to use more of these technical devices,' or he may have used the phase, 'technical equipment.' The conclusion I drew was simple—more use of electronic devices that were available and on the market at that time . . . Kennedy was putting pressure on the investigative agencies. 'You're not producing,' he'd say. 'Where the heck is the stuff?'"

For the moment, the Hoover-Kennedy confrontation is muted. But it may well flare when Congress begins considering Lyndon Johnson's proposal to prohibit listening to conversations, by mechanical or electronic means, except in national security cases, without the consent of one party. Sen. Kennedy intends to unveil an alternate approach shortly.

The Administration plan would reinforce restraints on Federal agents (a Presidential order already bars Federal bugging except in national security cases). It also would strike down state statutes such as New York's, which permit court-controlled eavesdrops and use of evidence so obtained in court.

Bugging Proponents' Views

With such a prohibition, law enforcement couldn't reach gang lords who commit crimes by proxy through layers of subordinates, say proponents of legalized listening-in. New York District Attorney Frank S. Hogan regards electronic surveillance as the "single most valuable weapon to fight organized crime."

Former Attorney General Nicholas Katzenbach expressed similar views last year. "It is important to have legal wiretapping at the local and state level," he told Congress, particularly to unmask crimes on which the Mafia feeds, notably extortion, bribery, narcotics peddling and gambling. The syndicate's gambling profits alone are estimated at over \$5 billion annually.

If the Justice Department keeps confessing fresh examples of illegal eavesdropping to the courts, Mr. Johnson's proposed ban may gain further favor in Congress. So far the Government has owned up to 12 ~~unlawful~~ sur-

veillance by FBI agents and one by the IRS, all undertaken in pursuit of Mr. Kennedy's crime crusade. "There will be more, perhaps a good many more," a Justice Department official predicts. Moreover, an undisclosed number of promising prosecutions are not being presented to grand juries because investigatory leads gleaned from illegal bugs taint the cases.

Because evidence used at trial was obtained illegally, the Government has petitioned the courts to vacate the convictions of Pasquale Borgese, a New York bookmaker whose annual gross allegedly approached \$5 million, and Joseph "Joe Ship" Schipani of Brooklyn, identified by Senate investigators as a "soldier" in the Mafia group headed by Giuseppe Magliocco.

Poor Coordination

"Soldier" Schipani, sentenced to three years for tax evasion, owes his good fortune in part to poor coordination among Federal enforcement agencies. While under IRS scrutiny for the tax evasion of which he was convicted, he was bugged by the FBI and by agents of the IRS' own alcohol and tobacco tax division. Bookie Borgese was already an FBI organized-crime suspect when the IRS tapped phones he frequently used.

In most other instances of admitted trespass to plant bugs, the Government claims it learned nothing of consequence. Thus, it contends there is no reason to vacate criminals' convictions. In such cases, the Justice Department is contending to appeals courts, convicts' rights are protected by giving them an opportunity in lower court to disprove the Government's claim or otherwise to persuade a judge that the trial wasn't fair.

"It's ironic," one official reflects, "all this bugging flap and most of the time we got nothing."

Whatever the accuracy of that plaintive observation, organized-crime suspects who have been convicted of various Federal offenses and now have a chance to wriggle free include Louis "the Fox" Taglianetti, a Rhode Island gambler; Ronald Carabba, a numbers-game "banker" in Youngstown, Ohio; and the DeNiro brothers, Frank, Michael and Louis. The last three were convicted of evading taxes on the \$400,000 estate of brother Vincent, a rackets boss in Youngstown, who was killed by an exploding bomb in his car.

Many Convictions Not Imperiled

The bugging backlash is not, of course, completely undoing the anticrime drive. Dozens of convictions against underworld notables are not imperiled because there was no illegal eavesdropping. Some of these criminals were caught by a strategy devised by Attorney General Kennedy. Because bigtime racketeers carefully avoid overt criminal acts, he believed, they must be nailed if possible for piddling offenses.

Thus Lawrence Gallo in Brooklyn went to jail for filing a false statement to obtain a Veterans Administration-insured home loan. Joey Cappiello was sentenced for bugging too

many birds during the Kansas hunting season. Frank "Hot Dog" Lisciandrello of Chicago was convicted of failing to pay a special tax required of retail liquor dealers. Last November FBI men whisked two dozen gamblers off a cruise ship on charges of violating an almost-forgotten law making it a crime for any U.S. citizen to set up gambling shop on the high seas.

Harassment by any available means, along with prosecution on major charges, has hurt but surely hasn't crippled the criminal gangs. "Efforts to curb the growth of organized crime in America have not been successful," the National Crime Commission told President Johnson last month.

In turn, the inability of Federal, state and local governments to stamp out syndicate operations makes it doubly difficult to control the general crime rate. The availability of narcotics smuggled in by racketeer rings, to cite one example, causes many addicts to roam city streets stealing the dollars necessary to satisfy their constant craving.

The Acting Attorney General

December 6, 1966

Director, FBI

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

MICROPHONE INFORMATION

I want to bring to your attention two recent instances in which the failure to afford proper protection to information contained in logs of electronic surveillance has had highly undesirable results.

The first of these concerns a Federal income tax case involving Frank Peter Balistreri, a Milwaukee hoodlum, which case currently has been in trial before a Federal District Judge at Springfield, Illinois. This matter involved electronic surveillances by the Bureau and logs of such installations, including one on Dominic Frinzi, a Milwaukee attorney, were furnished to the Department.

The log on Frinzi was furnished to the Judge in the Balistreri case and was subsequently released by him to defense counsel without any restriction being placed on its use by them. Frinzi is an attorney of record for Balistreri. Information was subsequently received to the effect that Frinzi contemplated filing a suit against the Wisconsin Telephone Company, the landlord of the building in which his office was located in Milwaukee and possible prosecutive action against Bureau personnel, based on the electronic surveillance of his office. Details of this were set forth in my memoranda to you of November 28, 1966, under the captions "Frank Peter Balistreri, Anti-Racketeering" and "Bustiano Veto Balestrere, Anti-Racketeering."

Lle D
Our
The second instance involves a log turned over to Department attorneys in the [redacted] Conflict of Interest, Fraud Against the Government case concerning conversations of [redacted]

[redacted] Although a protective order was issued by the court concerning such conversations, information concerning them was later obtained by a representative of the press and they were also referred to in a [redacted] column appearing in the "Washington Post and Times Herald" newspaper, December 2, 1966.

NOTE: See memo J.H.Gale to [redacted] caption, 12/5/66, JGL:tjm:
RECORDED

167 DEC 8 1966

JGL:tjm
(10) 451

29 DEC 9-1966
MAIL ROOM TELETYPE UNIT

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The Acting Attorney General

It is readily apparent that considerable harm has resulted from the highly sensitive information in microphone logs coming into the possession of members of the press and other unauthorized individuals. It is felt that extreme care should be exercised to avoid improper disclosure of such information through the procuring of effective protective orders. Furthermore, where there has been a breach of such order or restriction imposed by the court, it is felt that prompt action should be taken to obtain appropriate sanctions against individuals responsible for such improper actions.

1 - The Deputy Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

1 - Mr. Fred M. Vinson, Jr.
Assistant Attorney General

UNITED STATES

ENT

Memorandum

TO : Mr. DeLoach *J.H.*

DATE: December 5, 1966

FROM : J. H. Gale *J.H.G.*

SUBJECT: MICROPHONE INFORMATION

Tolson _____
DeLoach _____
Mohr _____
Casper _____
Callahan _____
Conrad _____
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Gale _____
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Sullivan _____
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Tele. Room _____
Holmes _____
Gandy _____

In connection with the current trials of Milwaukee hoodlum, Frank Peter Balistreri, and of [redacted] instances have occurred when information as to our microphone coverage, which has been furnished to Department representatives and subsequently to the court has come into the possession of other individuals and has been exploited for personal purposes or has formed the basis for publicity unfavorable to the FBI.

One of these involved a microphone surveillance of Dominic Frinzi, a Milwaukee attorney, who is also one of the defense counsel for Balistreri and the other concerned microphone covering [redacted]

In Balistreri case, there was a failure to obtain the court's instructions to afford the information proper security and in the [redacted] matter, there apparently was a leak from defense counsel Edward Bennett Williams.

ACTION:

There is attached for approval a letter to the Acting Attorney General pointing out the lack of security and proper handling and suggesting that action be taken to impose sanctions on the individuals responsible for improperly utilizing sensitive microphone information furnished to the Department and the courts.

Enc. *See* 12-7-66

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

JGL:tim/skh
56 DEC 14 1966
FJH

92-3116
NOT RECORDED
191 DEC 9 1966

REC'D DEC 8 1966

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ORIGINAL FILED IN

F B I

JUNE

Date: November 3, 1966

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL - REGISTERED
(Priority)

TO : DIRECTOR, FBI
 FROM: SAC, MILWAUKEE (66-950)
 FRANK PETER BALISTRIERI, AKA
 AR (MI-94-316)

Re Bureau phone call to Milwaukee and Milwaukee phone call to Bureau, both 11-3-66.

Pursuant to Bureau request, a review was made of Milwaukee files concerning coverage afforded by [redacted] involving Attorney DOMINIC FRINZI of Milwaukee. A review of all logical material located no original information recorded in any airtels, memoranda or other communications which was not contained in log-type information previously furnished to the Bureau under date of 7-7-66.

b7E

3 - Bureau (Air Mail - Registered)
 1 - Milwaukee (66-950)

JWL:mcs
 (4)

92-316-454

REC-8

NOV 5 1966

ROUTING NO. 104/66

Approved ✓ ERROR LETTER SENT By Sent _____ M Per _____

Special Agent in Charge

DFO 10/30

SPECIAL INVESTIGATIVE DIVISION

11/16/66

[redacted] b7E

Balistrieri made available to defense by U. S. Judge hearing this case. Teletype reports that Government attorney believes court will order rest of Government case be put on. Judge ruled yesterday that case should go forward with leave to defense to renew request for resumption of hearing on microphone issue after Government had completed its case. Milwaukee told that if requested to provide Sicilian translator for these tapes that Milwaukee should decline since it is not Bureau function to provide translators for court matters. Further Bureau verbatim translation of these tapes have been made available to Government attorney.

McA:djg



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DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

10:45 PM URGENT 11-15-66 PJR

TO DIRECTOR AND SPRINGFIELD
FROM MILWAUKEE 160220

ATTENTION: T. J. MC ANDREWS

JUNE.

O ^{c'mo know ~ 3 Anti-recording}
FRANK PETER BALISTRERI, AKA, AR.

REMITEL INSTANT.

DEPARTMENTAL ATTORNEY [REDACTED] TELEPHONICALLY
ADVISED SAC, MILWAUKEE PM INSTANT EXISTENCE OF [REDACTED]
TAPE BROUGHT TO JUDGE POOS ATTENTION IN ORDER TO CLARIFY RECORD
RE EXTENT OF MICROPHONE SURVEILLANCE DATA BEYOND BALISTRERI
LOGS. JUDGE POOS ORDERED TAPES BE MADE AVAILABLE TO DEFENSE.

[REDACTED] DISCUSSED WITH DEFENSE ATTORNEY WALSH WHO AGREED TO
LISTEN TO TAPES WITH PROSECUTION AND DEFENSE PRESENT AND THEN
DECIDE WHETHER TAPES NEEDED BY DEFENSE. JUDGE AGREEABLE. THIS
RAISED QUESTIONS AS TO AVAILABILITY OF MACHINE TO PLAY TAPES;

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REC-8 316-455 NOV 22 1966

12-2

MR. DELOACH FOR THE DIRECTOR

Tolson _____
 DeLoach _____
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 Holmes _____
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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 2, FROM MILWAUKEE 160220

FACILITY TO MAKE A COPY OF TAPE UNDER COURT OBSERVATION TO PROVIDE DEFENSE IF NEEDED AND AVAILABILITY OF SICILIAN TRANSLATOR, IF REQUIRED. [REDACTED] STATED PREFERABLE FOR BUREAU AGENT TO PLAY THE TAPE AND IF FACILITIES AVAILABLE TO MAKE COPY SHOULD SAME BE REQUIRED. HE STATED HE HAD DISCUSSED THE QUESTIONS WITH SAC, SPRINGFIELD WHO WOULD CALL. THEREAFTER, SAC GEBHART, SPRINGFIELD DISCUSSED ABOVE QUESTIONS WITH SAC, MILWAUKEE. SPRINGFIELD OFFICE CAN PLAY THE TAPE AND CAN MAKE COPY IF DESIRED. THERE IS NO BUREAU SICILIAN TRANSLATOR AT SPRINGFIELD OR MILWAUKEE OFFICES. PURSUANT TO SUBSEQUENT DISCUSSION WITH BUREAU, SAC GEBHART WAS TELEPHONICALLY ADVISED THAT OFFICE WOULD HAVE AGENT PLAY TAPE FOR [REDACTED] THAT QUESTION OF MAKING A COPY OR PROVIDING A TRANSLATOR SHOULD BE POSED TO BUREAU IF AND WHEN SUCH IS NEEDED AFTER TAPES ARE PLAYED. FOR BUREAU'S INFO, [REDACTED] ALSO ADVISED THAT WALSH HAD BROUGHT OUT DOMINIC FRINZI'S NAME TODAY AS THE LAWYER WHOSE OFFICE WAS ELECTRONICALLY SURVEILLED BY FBI IN BALISTRIERI INVESTIGATION AND ARGUED FRINZI COVERAGE MONITORS SHOULD BE CALLED TO TESTIFY. [REDACTED] STILL FELT JUDGE POOS WOULD ORDER

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Gandy _____

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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 3, FROM MILWAUKEE 160220

THE GOVERNMENT TO PUT ON THE REST OF THE TAX CASE, UNLESS A PROBLEM ARISES REGARDING THE BALISTRERI TAPES. THESE WERE MAILED TO SAC, SPRINGFIELD INSTANT DATE.

RECEIVED: 12:02 AM (11-16-66) LRC

CC: MR. GALE

Mr. Gale
Mr. Romano

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 11/28/66	INVESTIGATIVE PERIOD 9/9-11/23/66
TITLE OF CASE FRANK PETER BALISTRIERI, aka		REPORT MADE BY SA CARLYLE N. REED	TYPED BY mcm
		CHARACTER OF CASE ANTI-RACKETEERING	

REFERENCES

Report of SA CARLYLE N. REED, Milwaukee, 9/21/66.

- P -

ENCLOSURES

To the Bureau:

Two copies of a letterhead memorandum characterizing informants utilized in this report.

To Springfield;

One copy of the above described memorandum.

COVER PAGE

- A -

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: 3 - Bureau (92-3116) (Enc. 2) (RM) 1 - USA, Milwaukee 1 - Springfield (Enc. 1) (Info.) (RM) 2 - Milwaukee (94-316)		, 2-3116-456	REC 13
		DEC 1 1966	

Dissemination Record of Attached Report			
Agency	1	CC. AAG, Criminal Division,	
Request Recd.			
Date Fwd.		Organized Crime and Racketeering	
How Fwd.			
By		Section, Room 2524	

Notations

IS USAL 11/24/66 F-SAC 11/24/66

MI 94-316

Copy of Report for Springfield Information

One copy instant report designated for Springfield where lead is outstanding at Springfield, Illinois, to report results of subject's Federal income tax trial which is still in progress there and the trial has been recessed until 12/1/66.

LEAD

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Will continue to follow and report activities of subject as furnished by logical informants and sources. No active investigation of BALISTRERI is being conducted during his Federal income tax trial which might jeopardize the tax case.

ADMINISTRATIVE

The investigative period of instant report predates the period of referenced report since some channelizing information from informants was not available when referenced report was prepared.

Information concerning local gamblers from whom the subject allegedly gets a cut, has been furnished to DONALD JACKSON, IRS Agent, Milwaukee by SA CARLYLE N. REED.

INFORMANTS

<u>Identity</u>	<u>Date Contacted</u>	<u>Contacted by</u>
MI T-1 is [redacted] [redacted]	10/14/66	SA CARLYLE N. REED
MI T-2 is [redacted] [redacted]	9/16/66	SAs CARLYLE N. b6 REED and [redacted] b7C [redacted] b7D
MI T-3 is [redacted] [redacted]	9/13/66 10/10/66 10/25/66 11/8/66	SA CARLYLE N. REED " " " "

OVER PAGE

- B -

MI 94-316

MI T-4 is [redacted]

[redacted] 9/9/66

SA CARLYLE N.
REED

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Informant Information Not Included in Details of This Report

The following information is not being included in the details of this report for dissemination in order to safeguard the identities and personal well-being of the informants who furnished this information.

On October 14, 1966, MI-T-1 furnished the following information:

On October 13, 1966, MI-T-1 [redacted]

[redacted] BALISTRERI'S
night clubs. After discussing this business, BALISTRERI

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(identified by [redacted] as a Milwaukee LCN family member)
[redacted] for BALISTRERI)

[redacted] After chatting a while [redacted] FRANK BALISTRERI would be
out of town for an indefinite period of time, which informant
said was obviously because of BALISTRERI having to be
in Springfield, Illinois beginning October 17, 1966, for a
Federal income tax trial.

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MI 94-316

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[REDACTED]

MI-T-1 speculated that while FRANK BALISTRERI is absent from Milwaukee, attending his trial in Springfield, Illinois, JOE MANIACI and BALISTRERI'S son JOE, who is an attorney, will probably be responsible for the operations of FRANK BALISTRERI'S night clubs.

It should be noted that when last previously contacted, this informant furnished information regarding [REDACTED]

[REDACTED] This information was furnished [REDACTED]
[REDACTED] by SA CARLYLE N.
REED. As a follow-up to this information, the informant stated that [REDACTED]

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[REDACTED] It was informant's belief that FRANK BALISTRERI [REDACTED]

On October 10, 1966, MI-T-3 advised of the following:

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- D -

MI 24-316

Informant advised that FRANK BALISTRIERI was recently in Springfield, Illinois, and in contact there with FRANK ZITO, apparently in connection with BALISTRIERI'S Federal income tax trial scheduled to begin in that city on October 17, 1966. Informant said that apparently ZITO, an LCN member at Springfield, could do nothing for BALISTRIERI as far as the trial was concerned, and that BALISTRIERI would probably maintain contact with ZITO while staying in Springfield for the trial.

On October 21, 1966, former [redacted] a Milwaukee hoodlum who has furnished reliable information in the past, on his own volition, informed SA [redacted] at Milwaukee, as follows:

Several weeks ago, exact date unrecalled, informant [redacted]

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[redacted] Informant said he did not know nor was it stated

Informant said [redacted]

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On October 25, 1966, the Springfield Division advised as follows:

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- E -

MI 94-316

On October 24, 1966, [redacted] advised that approximately [redacted] before FRANK BALISTRIERI'S trial commenced on October 17, 1966, [redacted]
[redacted]

The reason BALISTRIERI [redacted]
[redacted]

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Informant explained that [redacted]
[redacted]

[redacted] Informant explained
to BALISTRIERI [redacted]
[redacted]

BALISTRIERI told informant [redacted]
[redacted]

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Informant said it was his understanding that [redacted]
[redacted]

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On October 25, 1966, MI-T-3 advised as follows:

*1/2
11/SC
PL/P*
GUS CHIAVEROTTI might be a witness for FRANK BALISTRIERI in his tax trial. BALISTRIERI arranged, through WALTER "Blackie" BROCCA to have CHIAVEROTTI contact him, which was done and BALISTRIERI reportedly told CHIAVEROTTI [redacted]
[redacted]

At this time CHIAVEROTTI [redacted]
reportedly told BALISTRIERI [redacted]
[redacted]

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COVER PAGE

- F -

MI 24-316

[Redacted]

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On November 8, 1966, MI-T-3 advised as follows:

FRANK BALISTRIERI has been readying his witnesses for testimony in his income tax case to show that he, BALISTRIERI [Redacted]
[Redacted]

[Redacted] BALISTRIERI is telling his close confidants that [Redacted]
[Redacted]

b7D

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, MILWAUKEE

Report of: SA CARLYLE N. REED
Date: NOVEMBER 28, 1966

Office: MILWAUKEE

Field Office File #: MI 94-316

Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI,

Character: ANTI-RACKETEERING

Synopsis: Subject's Federal income tax trial began 10/17/66 in USDC at Springfield, Illinois, on change of venue from EDW, Milwaukee, Wisconsin. Trial recessed on 11/16/66, and scheduled to resume 12/1/66. Subject has engaged well-known entertainers at his Milwaukee night clubs including RAY CHARLES and his orchestra at a contract price of \$18,000 to \$20,000. Subject [redacted]

[redacted] subject's brother, PETE BALISTRIERI in Milwaukee. Subject allegedly obtains a cut from the operations of some of the local bookies and gamblers.

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- P -

DETAILS: As noted in local press releases in Milwaukee, Wisconsin, FRANK PETER BALISTRIERI'S Federal income tax trial began on October 17, 1966, in United States District Court at Springfield, Illinois, on a change of venue from the Eastern District of Wisconsin at Milwaukee.

MI 94-316

The trial was recessed on November 16, 1966 and is scheduled to resume on December 1, 1966. During the course of the trial the Government acknowledged the existence of FBI electronic surveillances in Milwaukee which counsel for BALISTRIERI is attempting to show as having been used directly or indirectly in the Internal Revenue Service income tax investigation of BALISTRIERI and [redacted] [redacted] and that any information derived from such sources is tainted and inadmissible.

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On October 14, 1966, MI T-1 advised that [redacted] continues to [redacted] FRANK BALISTRIERI'S businesses and that [redacted] PETE BALISTRIERI'S residence on North Jackson Street, Milwaukee, Wisconsin.

FRANK BALISTRIERI'S DOWNTOWN MILWAUKEE NIGHT CLUBS

On September 9, 1966, MI-T-4 furnished the following information:

RAY CHARLES and his orchestra appeared at BALISTRIERI'S Milwaukee night club known as the Scene beginning the night of September 9, 1966, for a six-night engagement. Rumors have circulated that FRANK BALISTRIERI signed a contract for \$20,000 to cover RAY CHARLES' engagement here. There were also unconfirmed reports that there may have been a \$2,000 reduction in this contract price by a giving up of an agent's commission which would bring the cut of the contract down to \$18,000.

The informant said that FRANK BALISTRIERI is apparently trying to go too big with a band of this caliber, which is very costly, and high-priced entertainment is financially risky at BALISTRIERI'S night clubs.

On September 16, 1966, MI T-2 advised as follows:

Of late, BALISTRIERI'S night clubs the Scene and Ad Lib have been doing good business. Two booking agents, [redacted] (phonetic) and one (FNU) [redacted] (phonetic) are

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MI 94-316

apparently the persons through whom BALISTRIERI obtained some of his higher priced entertainment at his clubs. Although not definitely known, these two individuals may be working through "Milwaukee Phil" ALDERISIO, a Chicago, Illinois hoodlum. These two individuals stayed at the Schroeder Hotel in Milwaukee while RAY CHARLES was appearing at the Scene. The RAY CHARLES engagement at the Scene reportedly cost \$18,000.

GAMBLING

On November 8, 1966, MI T-3 furnished the following breakdown of what is considered the principle betting operations in Milwaukee, controlled by FRANK BALISTRIERI from which BALISTRIERI would get a cut of any profits:

STEVE DE SALVO is in charge of the gambling which pays off to FRANK BALISTRIERI. This includes the so-called "The Office", location unknown. Likewise, the source of any principle sports betting lines coming into Milwaukee are unknown to the informant. Sheriff CEFALO works in "The Office", and young SAM DENTICE is a runner. DE SALVO supervises all of the operations.

There are at least three or four groups of bookies in the Milwaukee area who are paying a percentage to FRANK BALISTRIERI. In a general way, because of their associations with each other, the following are identified with the several groups involved in this gambling operation:

FRANK SANSONE, and JOE PISCIUNE, these two operate together and they allegedly pay twenty-five per cent of their profits to FRANK BALISTRIERI. SANSONE operates from his residence in Fox Point, Wisconsin, a Milwaukee suburb. Informant did not know of any particulars of the gambling operations of PISCIUNE; LOUIS FAZIO, one of the FAZIO brothers at the night club known as Fazio's on Fifth Street in Milwaukee. (There have been conflicting reports as to whether or not LOUIS FAZIO actually takes in bets or does any booking and he may be a heavy better rather than a commercial gambler).

MI 94-316

What appears to be another group in this operation are TOM MACHI, who is single and lives on Oakland Avenue, Milwaukee; TONY PETROLLE, who may be taking bets by phone at his home on the southwest side of Milwaukee; and ANDY MACHI, who is the son of TONY PETROLLE.

A third possible group of these gamblers are SAM LIBRIZZI, who may operate out of his house; SAM CEFAU, who is a cousin of Sheriff CEFALU and apparently takes bets in local taverns and from among customers on the street; and possibly FRED AVENI, concerning whom the source can furnish no further specifics.

MISCELLANEOUS

On October 10, 1966, MI T-3 advised that information came to his attention that FRANK BALISTRIERI, who is married and residing with his wife, recently dated a girl who is or was [redacted] in Milwaukee.

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On September 13, 1966, MI T-3 furnished the following information:

VINCENT DE SALVO, father of STEVE DE SALVO, died of natural causes at West Allis, Wisconsin, and was buried on September 7, 1966. FRANK BALISTRIERI, among other hoodlums, was present at the wake or funeral.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

94-316

Milwaukee, Wisconsin
November 28, 1966

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA CARLYLE N. REED,
Milwaukee, Wisconsin, dated and
captioned as above.

All sources (except any listed below) whose identities
are concealed in referenced communication have furnished reliable
information in the past.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.
94-316

Milwaukee, Wisconsin
November 28, 1966

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

The following is a characterization of informants utilized in the report of SA CARLYLE N. REED, at Milwaukee, dated and captioned as above.

MI-T-1 is a legitimate individual who comes in contact with hoodlums in Milwaukee.

MI-T-2 is a hoodlum.

MI-T-3 is a hoodlum.

MI-T-4, is a legitimate businessman who comes in contact with hoodlums.

"This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency."

UNITED STATES GOVERNMENT

Memorandum

TO : MR. DE LOACH

FROM : J. H. GALE

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: November 10, 1966

Tolson
DeLoach
Mohr
Felt
Callahan
Conrad
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

This is to record results of conference held on the afternoon of November 10, 1966, in the office of Assistant Attorney General Rogovin of the Tax Division. Present from Mr. Rogovin's Division were

[redacted] the latter being the trial attorney handling the prosecution of the income tax matter against captioned subject in Springfield, Illinois. Bureau representatives in attendance at this conference were Assistant to the Director DeLoach, Assistant Director Gale and Supervisor A. A. Staffeld.

Rogovin opened the conference by indicating he thought it advantageous to discuss some of the issues which the prosecution expected to be confronted with during the ensuing week in the trial of this matter. He pointed out that one of the two principal matters of concern is the insistence on the part of the defense that personnel who participated in the monitoring of the three sources be subpoenaed and questioned with respect to their recollection of information recorded in the logs while monitoring these installations. The defense counsel has inferred that it is quite possible these monitoring employees may have heard something significant to the tax trial but did not make a record of it in view of the jeopardy such may cause. The defense counsel, therefore, would like to cross examine the employees in an effort to refresh their recollection.

just a fishing expedition
It was very firmly pointed out to Rogovin and the other Departmental personnel that the calling of these many clerks and Agents would not only be inadvisable but absolutely useless due to the passage of time and that under such conditions certainly nothing could be gained by the defense toward bolstering their weak belief. As a result of these discussions, Rogovin agreed that the calling of these witnesses would certainly serve little or no purpose and that satisfying the defense counsel in this regard appeared to be a legal matter which the Departmental attorneys must resolve. Efforts would be made in this regard for the purpose of avoiding the subpoena of the 23 FBI monitors.

1 - Mr. DeLoach

1 - Mr. Gale

1 - Mr. McAndrews

1 - Mr. Leggett

1 - Mr. Stanley F 288

AAS:LS (6)

CONTINUED - OVER

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REC 172 - 316-457

DEC 12 1966

Memorandum to Mr. DeLoach
Re: Frank Peter Balistreri
Anti-Racketeering

The other issue to which the conference addressed itself was the insistence that defense counsel has for the calling of the past three Milwaukee Special Agents in Charge for the purpose of establishing whether or not sources in addition to the three already admitted might have been in existence which had any relationship to Balistreri.

It was pointed out to the Department personnel that the present SAC is the Bureau's custodian of records in the Milwaukee Office and that as such he can conduct a thorough review and testify before the Court that these three sources are the only sources having any relationship whatsoever to the names or places listed in the indictment who are significant to this income tax matter. It was also pointed out that the SAC of the Milwaukee Office is in a position to testify with respect to the manner in which the logs and other records of these sources are administratively maintained and that this too may be of assistance in avoiding not only the subpoenaing of the 23 monitoring employees but the former SACs of the Milwaukee Office as well.

Rogovin and his assistants considered this to be a very satisfactory means of meeting some of the demands placed by the defense counsel in this case. Rogovin instructed that Department Attorney [redacted] proceed to Milwaukee for conferences with SAC Fields at 9:00 a.m., Monday, November 14. It was anticipated that during this conference the details would be worked out with regard to the appearance of SAC Fields in Springfield for the purpose of testimony during the week of November 14, 1966.

ACTION

SAC Fields of the Milwaukee Office was telephonically advised of the conference had with the Department and the matters discussed with them. He was advised specifically of our efforts to circumvent the defense's demand for the appearance of past Milwaukee SACs as well as the 23 monitoring personnel utilized by the Milwaukee Office in the past years. It was pointed out to him how the Department is anticipating that such may be avoided and he was advised to be available for conference

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Over
↓

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri
Anti-Racketeering

with Department Attorney [redacted] at 9:00 a.m., November 14, 1966,
in the SAC's office for further discussions along these lines. SAC Fields
was instructed to immediately review his records in anticipation of
[redacted] conference and to advise us of the results at the conclusion
of the conference.

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[Handwritten signatures and initials follow]

SPECIAL INVESTIGATIVE DIVISION

December 5, 1966

Walsh, the defense attorney for Balistrieri who has been conducting a pretrial hearing into our microphone coverage of Balistrieri, suffered a heart attack last week and the trial of Balistrieri has now been postponed indefinitely.

P
McA:tjm

J.W.S.

TAD

11/15/66

SPECIAL INVESTIGATIVE DIVISION

Special Agent in Charge (SAC), Milwaukee, is scheduled to testify at income tax trial of Balistrieri in Springfield, Illinois, today. He requests permission to [redacted]

[redacted] over Balistrieri microphone available to Department attorneys in advance of trial today. These [redacted]
[redacted] previously supplied Department.

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Special Investigative Division concurs in SAC's recommendations and if approved, will notify SAC, Milwaukee, to make this material available to Department attorney.

McA:djg

A set of handwritten signatures and initials. On the left is a signature that appears to be "J. H. B." followed by a small 'K' below it. To the right is a signature that looks like "R. J." or "R. H." followed by a small 'J' below it.

ENCLOSURE

97-3116-

458

Tolson
DeLoach
Mohr
Wheeler
Casper
Callahan
Conrad
Gale
Rosen
Sullivan
Tavel
Trotter
Tele. Room
Holmes
Gandy

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

1:45 AM URGENT 11-15-66 PJR

TO DIRECTOR

FROM MILWAUKEE 150350

ATTN: T. J. MC ANDREWS, DIVISION NINE

JUNE.

O a known ^{as} Anti-roboleaving
FRANK PETER BALISTRIERI, AKA, AR.

RE MILWAUKEE TEL CALLS TO BUREAU INSTANT AND MILWAUKEE AIRTEL TO BUREAU JULY 7, 1966.

POSSIBLE NECESSARY TESTIMONY IN CURRENT BALISTRIERI TAX CASE BY SAC MILWAUKEE RE PROCEDURE OF RECORDING DATA FROM MICROPHONE COVERAGE OF BALISTRIERI BY FBI MARCH 9, 1964 TO JUNE 1, 1965 DISCUSSED WITH [REDACTED] DEPARTMENTAL TAX ATTORNEY INSTANT DATE. BUREAU'S POSITION IS THAT LOGS TYPED FROM TAPES AND ANY TEMPORARY NOTES ARE ORIGINAL RECORD AS TAPES ERASED AND NOTES DESTROYED ON DAY TO DAY BASIS AFTER LOGS TYPED DURING ABOVE COVERAGE. ST-110 BALISTRIERI LOGS PREVIOUSLY

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REC-39

NOV 22 1966

12-6

ENCLOSURE

If the intelligence contained in the above message is to be disseminated outside the Bureau, it is suggested that it be suitably paraphrased in order to protect the Bureau's cryptographic systems.

8 DEC 8 1966

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 2, FROM MILWAUKEE 150350

FURNISHED DEPARTMENT AND THENCE TO DEFENSE ATTORNEYS CONTAIN

REFERENCES ON JUNE 18, 1964, APRIL 3, 1964 AND OCTOBER 29, 1964
 RESPECTIVELY TO [redacted]

b6
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 b7E

[redacted] REFERRED TO

CURRENT INQUIRY BY DEFENSE ATTORNEY MAURICE WALSH RE ANY OTHER
 DATA THAN IN THE LOGS, AND ASKED SPECIFICALLY AS TO [redacted]

b6
 b7C
 b7E

[redacted] NOT ADVISED

THAT BUREAU HAS RETAINED ANY TAPES, TRANSCRIPTIONS OR
 TRANSLATIONS OTHER THAN LOGS. AS NOTED IN RE MILWAUKEE AIRTEL,
 WE STILL HAVE [redacted]

b6
 b7C
 b7E

[redacted] AS DEFENSE HAS THE THREE LOGS INDICATING
 ADDITIONAL TAPE DATA OF WHICH [redacted] APPARENTLY UNAWARE,
 IT IS FELT HE SHOULD BE ADVISED OF EXISTENCE OF THESE
 DOCUMENTS AND TAPES TO AVOID SURPRISE TESTIMONY SHOULD DIRECT

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 3, FROM MILWAUKEE 150350

QUESTIONS BY WAUSH ELICIT THESE FACTS IN COURT FROM BUREAU PERSONNEL. FURTHER NOTED THAT APPRISING [REDACTED] OF THE EXISTENCE THIS MATERIAL MAY RESULT IN DEPARTMENTAL DECISION TO FURNISH SAME TO DEFENSE PRIOR TO TESTIMONY REVEALING EXISTENCE. SINCE DEFENSE HAS INDICATION FROM LOGS THAT THERE MAY BE [REDACTED] WHICH DO IN FACT EXIST, BUREAU REQUESTED TO APPROVE SAC APPRISING [REDACTED] PRIOR TO COURT SESSION 10 AM NOVEMBER 15, 1966 AND IF REQUIRED TO ALSO FURNISH THIS MATERIAL TO DEPARTMENTAL ATTORNEYS. BUREAU WILL BE KEPT ADVISED RE DEVELOPMENTS.

b6
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RECEIVED: 2:56 AM LRC

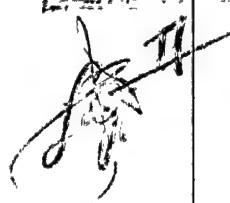
*CC: Mr. Tolson
Mr. Rogers*

F B I

Date: 12-2-66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. White
Mr. Clegg
Mr. Casper
Mr. Bishop
Mr. Callahan
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Tavel
Miss Gandy



TO DIRECTOR, FBI (92-3116)
 FROM SAC, SPRINGFIELD (92-209)
 RE: FRANK PETER ^CBALISTRIERI, aka
 AR
 OO: MILWAUKEE

Rerep SA CARYLE N. REED, 9-21-66, Milwaukee.

On December 1, 1966, USA's office, SDI, advised that MAURICE WALSH, described as the principal defense counsel in this matter, suffered a heart attack and the trial of subject has been postponed indefinitely.

(3) - Bureau
 2 - Milwaukee (94-316)
 1 - Springfield
 JTG:VLS
 (6)



REC-32

REC-3116-459

EX-115

DEC 5 1966

NOTE

c.c.: *FRY, WRC, RCB*
 Approved: *FRY, WRC, RCB*
 Special Agent in Charge

Sent _____ M Per _____

F B I

Date: 10/5/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTELAIR MAIL

(Priority)

TO : DIRECTOR, FBI (92-3116)
ATTN: SECTION CHIEF THOMAS J. MC ANDREWS

FROM : SAC, MILWAUKEE (66-950) J U N E

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

Re Bureau telephone calls to Milwaukee, 10/4/66;
Milwaukee telephone calls to Bureau, 10/5/66; and Milwaukee
teletype to Bureau, 10/5/66.

Set forth hereinafter is that information requested by Mr. MITCHELL ROGOVIN, Assistant Attorney General, Tax Division, U. S. Department of Justice, by memo dated 9/30/66 regarding the FRANK PETER BALISTRIERI matter, a federal income tax case matter. The information set forth below and in the enclosures is intended to cover the five points made by Mr. ROGOVIN in his memo of 9/30/66:

1) Information concerning installation and location of technical surveillances concerning FRANK PETER BALISTRIERI,
[redacted] DOMINIC HENRY FRINZI.

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a) [redacted]
[redacted] on Bureau authority was installed on 10/3/61 and discontinued 6/8/62. It is identified as having been a microphone installation. This installation was located [redacted]

b6
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b7E

[redacted] Trespass of the premises was necessary to effect the installation. ST 104 REC-43

b) FRANK PETER BALISTRIERI 10-3116-460

[redacted] on Bureau authority was installed on 3 - Bureau (AM)(RM)(encls. 22) 10-3116-460
2 - Milwaukee

b7E

JDW/kaj
(5)Approved: JDW Sent _____ M Per _____Special Agent in Charge
DEC 1966

G NOV 29 1966

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

3/9/64 and discontinued 6/3/65. Source is identified as having been a microphone installation. This installation was located at 2559 North Downer, Milwaukee, the Continental Music Company. Trespass of the premises was necessary to effect the installation.

c) DOMINIC HENRY FRINZI

[redacted] was a microphone surveillance installed 4/22/63 and discontinued 10/2/63 on DOMINIC FRINZI, associate of BALISTRIERI. FRINZI is a hoodlum attorney and recent candidate for Democratic nomination for Governor of the State of Wisconsin. Installation was in FRINZI's office, Room 7148, 161 West Wisconsin Avenue, Milwaukee. Trespass of the premises was necessary to effect the installation.

b7E

2)

a) [redacted]

b7E

This source was monitored within the confines of the Milwaukee Office of the FBI.

A microphone was installed [redacted]

b6

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[redacted] was installed on 10/3/61 and discontinued on 6/8/62.

Logs were maintained at the point of monitoring during the time of the surveillance. The tapes were destroyed after use and editing. The logs were destroyed shortly after the source was discontinued on 6/8/62. In that regard the Bureau is referred to Milwaukee airtel to Bureau, July 7, 1966, captioned as above, which sets forth additional information concerning this source.

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

b) [redacted]

b7E

This source was monitored within the confines of the Milwaukee Office of the FBI.

A microphone was installed in an office on the first floor of a commercial office building, the Continental Music Company, 2559 North Downer, Milwaukee, Wisconsin, which was operated by BALISTRIERI and in which place he had a partitioned room considered to be his office.

[redacted] was installed on 3/9/64 and was discontinued on 6/3/65.

b7E

Logs were maintained at the point of monitoring during the time of the surveillance.

Concerning the availability of these logs, the Bureau is again referred to Milwaukee airtel to Bureau, July 7, 1966, captioned as above, under Milwaukee file 66-950, with which were enclosed the logs and reels of [redacted]

b7E

c) [redacted]

This source was monitored within the confines of the Milwaukee Office of the FBI.

A microphone was installed in Room 7148, 161 West Wisconsin Avenue, Milwaukee, the office of DOMINIC FRINZI, as set forth above.

[redacted] was installed on 4/22/63 and discontinued on 10/2/63.

b7E

Logs were maintained at the point of monitoring during the period of the surveillance.

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

As to the availability of the logs, the Bureau is again referred to Milwaukee airtel to Bureau, July 7, 1966, as referred to above.

3) Records of [redacted] are available at the Bureau as previously stated per Milwaukee airtel to Bureau, July 7, 1966, captioned "FRANK PETER BALISTRERI, AR," Milwaukee file 66-950 (JUNE).

As previously stated above, the logs of [redacted] were destroyed; however, enclosed herewith are Xerox copies of those communications pertaining to information concerning BALISTRERI as obtained from [redacted]

- 1) FD-143 dated 1/22/62
- 2) FD-143 dated 3/30/62
- 3) Milwaukee letter to Bureau, 10/23/61
- 4) Milwaukee teletype to Bureau, 10/28/61
- 5) Milwaukee radiogram to Bureau, 11/1/61
- 6) Milwaukee radiogram to Bureau, 11/3/61
- 7) Milwaukee letter to Bureau, 11/6/61
- 8) Milwaukee radiogram to Bureau, 11/6/61
- 9) Milwaukee radiogram to Bureau, 11/8/61
- 10) Milwaukee radiogram to Bureau, 11/9/61
- 11) Milwaukee radiogram to Bureau, 11/13/61

b7E

b7E

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

- 12) Milwaukee radiogram to Bureau, 11/15/61
- 13) Milwaukee radiogram to Bureau, 11/16/61
- 14) Milwaukee radiogram to Bureau, 12/28/61
- 15) Milwaukee letter to Bureau, 1/26/62
- 16) Milwaukee letter to Bureau, 2/2/62
- 17) Milwaukee letter to Bureau, 5/29/62
- 18) Report of SA JOHN A. HOLTZMAN dated 11/8/61
at Milwaukee
- 19) Report of SA JOHN A. HOLTZMAN dated 2/20/62
at Milwaukee
- 20) Report of SA JOHN A. HOLTZMAN dated 5/14/62
at Milwaukee
- 21) Report of SA JOHN A. HOLTZMAN dated 12/31/62
at Milwaukee
- 22) Report of SA JOHN A. HOLTZMAN dated 2/27/63
at Milwaukee

Dissemination of information from [redacted] to
Internal Revenue Service (IRS)

b7E

Information contained on Pages 7 and 8 of FD-143
dated 3/30/62 entitled "FRANK PETER BALISTRIERI, aka, AR,
[redacted] appears in Milwaukee report of SA JOHN A. HOLTZMAN
dated 5/14/62 on Pages 18 through 20.

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

Information from this same source which is contained on Page 6 of FD-143 in the BALISTRIERI matter dated 1/22/62, appears in the report of SA JOHN A. HOLTZMAN at Milwaukee dated 2/20/62 on Page 22 of the report.

In brief, the information obtained from this source on 12/26/61 pertains to [redacted]

[redacted] The information obtained from this source as set out in FD-143 dated March 30, 1962 pertains to information to the effect that FRANK BALISTRIERI [redacted]

[redacted] Further details regarding this particular information appear in the enclosed Xerox copies of FD-143s and the reports of SA HOLTZMAN referred to above.

As far as can be determined from the Milwaukee files, the above identified information was furnished orally to IRS by SA JOHN A. HOLTZMAN, retired, and does not indicate the identities of any IRS personnel at Milwaukee to whom it was furnished or the specific dates on which it was furnished. There is no indication that these investigative reports by SA HOLTZMAN were ever furnished to IRS.

A thorough review of logical Milwaukee files revealed only the above two instances to indicate dissemination was made to IRS in this matter. However, in Milwaukee airtel to the Bureau, BUfile 58-5008 dated 2/20/62, captioned "FRANK PETER BALISTRIERI; JOHN ENGLER, JR., BRIBERY," it is reported on Page 2 conversation with IRS Inspector [redacted] in which apparent reference to our "informant" was made. This communication reports that in conversation with IRS Inspector [redacted] SA JOHN A. HOLTZMAN (now retired) advised [redacted] that any further inquiry made by IRS concerning a "quarterly report" would possibly jeopardize the Bureau's "informant" in

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F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

this matter because these words were specifically reported by our informant and is a terminology not familiar to most individuals. [redacted] was cautioned by SA HOLTZMAN that if he persisted in the inquiry to employ [redacted] about a quarterly report, it could result in compromising the informant.

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As will be noted in the above mentioned bribery case, [redacted] was an IRS employee who was allegedly approached by FRANK BALISTRIERI to obtain reports or documents of interest to BALISTRIERI from the Milwaukee Regional Office of IRS, and in connection with this there was mention made of a "quarterly report".

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A thorough review of Milwaukee files pertaining to this matter does not indicate any dissemination to IRS other than set forth above. There is no other record of any written dissemination being made by the Milwaukee Office to the Milwaukee Office of IRS, it being noted that investigative reports in this matter were, of course, disseminated to the local office of the USA and information from [redacted] was included in such reports covered by appropriate T symbols.

b7E

Regarding [redacted] a thorough review of all the logical Milwaukee files in this matter has revealed no written or oral dissemination to IRS locally. In addition, as to any other technical sources other than the three sources referred to above, a review of logical Milwaukee files revealed no other technical installation sources which might deal with pertinent information pertaining to the BALISTRIERI enterprises.

It does not appear from a review of information obtained from [redacted] and disseminated to IRS is germane to the tax case of FRANK PETER BALISTRIERI which is to commence in USDC, Springfield, Illinois, 10/17/66.

b7E

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)

Via _____
(Priority)

MI 66-950

Other than information set forth concerning destruction of above-mentioned records in Milwaukee airtel dated 7/7/66, Milwaukee files disclose no specific information concerning date they were destroyed.

- 8 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: 11/29/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED MAIL
(Priority)

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

TO: DIRECTOR, FBI ATTN: T. J. MC ANAWAY
DIVISION 9

FROM: SAC, MILWAUKEE (66-950)

SUBJECT: FRANK PETER BALISTRIERI
AR

Re MI-airtel 11/21/66.

Wkly REC-19

It is noted Bureau advice was received during week of 11/20/66 that [REDACTED] Departmental tax attorney, would come to Milwaukee 11/23 or 29/66 to discuss with SAC, Milwaukee, indications on the part of defense attorney WALSH that he contemplated calling as witnesses FBI personnel who had taken part in the monitoring of DOMINICK FRINZI, during electronic surveillance of FRINZI. It was noted to Bureau that Milwaukee previously advised Bureau that the known monitors on FRINZI surveillance would be limited to 3 or 4 people. In checking FRINZI logs and discussing identities of possible monitors with Milwaukee personnel, it was determined that the regular monitoring was divided between SA [REDACTED] and SE [REDACTED] usually 2 shifts per day. It was also noted that retired SA JOHN A. HOLTZMAN was indicated on some of the logs as the monitor. In addition, SA [REDACTED] advises that he infrequently participated in the FRINZI monitoring as a substitute when one of the regular monitors was absent. None of the current personnel specifically recall any other individual participating as a monitor but SAs [REDACTED] advise that other agent personnel handling cases in this field could have been occasionally utilized for a day when one of the regular monitors was absent. All 3 personnel have specifically viewed the FRINZI logs and all advise they cannot recall from viewing the logs which ones were typed by a particular monitor. All 3 also advise they do not recall, from viewing FRINZI logs, any additional data that might have been listened to at time but not reported on logs in view of its non-pertinence.

3-Bureau AM RM

1-Milwaukee

PHF:mk

Approved: PAB

Special Agent in Charge

REC-19

ST. 104

5 DEC 1 1966

Sent _____ M Per _____

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F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

On 11/29/66 [redacted] called Milwaukee Office from Springfield, Ill. [redacted] advised government attorneys met with defense attorney WALSH during morning to determine how WALSH intended to proceed when the BALISTRIERI trial resumes at 10 a.m. 11/30/66. WALSH told [redacted] that he intended to request court permission to "probe" the FBI logs concerning the FRINZI electronic surveillance. [redacted] stated WALSH is interested in securing court approval to subpoena some or all Bureau employees involved in FRINZI monitoring. According to [redacted] he advised WALSH it was reasonable to assume that some of the 23 monitors of the BALISTRIERI surveillance likewise monitored the FRINZI surveillance but that the number of monitors on the FRINZI surveillance probably numbered no more than 3 or 4. [redacted] stated WALSH advised he was not interested in having all 23 Bureau employees subpoenaed but did actually want to determine from the FBI the names of the Bureau employees who handled the FRINZI monitoring.

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[redacted] advised he had discussed this situation previously with Bureau and it had been indicated that Milwaukee Office would endeavor to furnish names of those individuals who, in all probability, did the monitoring, although specific individuals are not identified on the FRINZI logs. [redacted] stated he desired to obtain the names of monitors since the trial resumes on 11/30/66 and he wanted to have the names available in the event WALSH definitely moves in the direction of subpoenaing the FBI personnel, although he was not certain at this time that WALSH would insist on this procedure.

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SAC, Milwaukee, subsequently, pursuant to Bureau approval, contacted [redacted] telephonically to furnish him the 4 names noted above, including retired SA JOHN A. HOLTZMAN, who [redacted] recalled as having previously testified in the current tax case. During this conversation [redacted] advised it had just been learned that defense attorney WALSH has suffered a coronary thrombosis and has been taken to the hospital. He advised a report on WALSH's condition is not expected before Saturday, 12/3/66. [redacted] commented

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-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

that even a mild coronary usually required several weeks recuperation, so it would be indefinite now as to when the trial would re-commence. He stated the jury has been advised not to return to court until further notice and added that he would try to keep SAC, Milwaukee, advised as to pertinent developments in this matter, including any further indication that the FRINZI monitors would be called to testify.

Subsequently, on 11/29/66,

[redacted] Wis. Telephone Co., telephonically contacted SAC, Milwaukee. [redacted] advised the TV and newspaper reporters had been bringing considerable pressure on the Telephone Co. and had visited the public relations office at the company to question Telephone Co. officials as to the company's position re possible ordinance making wire tapping a criminal offense, even when done by Government representatives. He stated numerous questions have been put to the company re their intended policy in the future as to allowing Government agencies to utilize telephone lines in perpetration of electronic surveillances, etc. [redacted] stated that so far the company has more or less stalled the news media by indicating company officials would need to review policy considerations as to what might be done in the future and on many of the questions giving the reporters more or less "no comment." [redacted] stated that pressure has indirectly been placed against the Telephone Co. through the organization of a committee under the Wisconsin and Milwaukee Bar Assns. to investigate electronic surveillance of DOMINIC FRINZI, a Milwaukee attorney, as testified to by FBI personnel in current tax trial in Springfield. According to [redacted] representatives of both the Journal and Sentinel newspapers and several radio and TV stations have been contacting company officials for statements and asking numerous questions in this regard.

[redacted] stated that the Telephone Co. certainly did not want to take any action which placed the FBI in an embarrassing position, but he wanted to let SAC, Milwaukee, know that if the pressure

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-3-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

continued to mount, it may become necessary for the company to make some sort of policy statement to the press concerning future procedures. In the event this occurs, [redacted] stated the top officials in the company have concluded that they necessarily have to indicate that the company policy in the future will preclude making available leased lines to any agency. This would, in effect, indicate that only regular subscriber lines would be furnished in the future. [redacted] advised that he recognized such a policy might at some future date interfere with an important investigative matter obviously and directly affecting the national security or life or death, such as in a kidnaping case, but any policy statement now would not prevent consideration being given the situation should such an important matter arise in the future.

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SAC, Milwaukee, advised [redacted] this office understands the position in which the Telephone Co. has been placed in regard to electronic surveillance matters, and certainly does not desire to suggest what the Telephone Co. should or should not do in regard to its policies concerning leased lines. SAC pointed out that important and urgent matters might well arise in the future wherein the national security would be immediately and directly involved, and SAC would like to feel that any necessary arrangements might be discussed with Telephone Co. officials in such event. [redacted] assured SAC that this could be done and further that the company would do its best to avoid having to make any public commitment such as indicated above. [redacted] added that the Telephone Co. desired to avoid having any such policy statement made without first advising SAC, Milwaukee, of the possibility of this taking place. [redacted] was thanked for his consideration in this matter.

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Bureau will be kept advised concerning any pertinent developments re the tax trial at Springfield or the current situation involving the Telephone Co. and press media.

-4-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: December 2, 1966

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL

(Priority)

TO : DIRECTOR, FBI ATTN. T. J. McAndrews, Division 9
FROM: SAC, Milwaukee (66-950)

JUNE

FRANK PETER BALISTRIERI
AR

ReMITel 12-1-66, captioned "WILLIAM COVELLI, IGA, Bufile 132-777," and Butelcall to SAC, Milwaukee, and MI telcall to Bureau 12-2-66, instant.

Retel contained information concerning discussion between USA James E. Brennan and the AAG, Fred Vinson, Jr., concerning any restrictions placed by Judge Poos in BALISTRIERI tax case re use of FRINZI electronic coverage logs by defense. USA Brennan on 12-1-66, requested [redacted] Departmental Attorney now located at Springfield, to review transcripts and also discuss with Judge Poos question of restrictions.

This matter further discussed by SAC, Milwaukee with USA Brennan, 12-2-66, relating particularly to whether Defense Attorney WALSH made the FRINZI surveillance logs available to FRINZI, and whether this was proper, and as to whether the court put any restrictions on FRINZI in regard to use of these logs in any other capacity than in defense of BALISTRIERI. USA Brennan advised that [redacted] had reviewed the transcripts concerning all discussions and references relating to these logs and had also discussed this aspect with Judge Poos. Brennan stated that originally, the court turned over to the Defense for use in defense of BALISTRIERI the logs and other material relating to BALISTRIERI, himself [redacted]. The court, of course, cautioned all attorneys involved not to discuss this material outside the court. Subsequently, specific inquiries by Defense Attorney WALSH elicited information that a third surveillance had been undertaken, with Departmental approval. Departmental Attorney Rogovin admitted in court that the third surveillance concerned a lawyer, but the person surveilled was not identified. The FRINZI logs, which had been furnished to [redacted] per Bureau instructions, had been placed in the custody of the court.

3 - Bureau (Air Mail - Registered)
1 - Milwaukee (66-950)
PHF:mcs

(4)

Approved:

[Signature]

Sent

Per

Special Agent in Charge
DEC 14 1966

REC-8

12 DEC 5 1966

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b7C

b6

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F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

Airtel to Bureau
 MI 66-950
 12-2-66

According to USA Brennan, Attorney WALSH, during in camera discussions, demanded to know the identity of the lawyer and specifically asked if it was Attorney FRINZI. At this juncture, the Departmental Attorneys discussed the matter with the Department and also with Judge Poos (who was aware all along of FRINZI's identity), after which Judge Poos decided that the Defense should have the FRINZI logs, and the Department agreed, including the identity of FRINZI. A copy of the FRINZI logs was given to Attorney WALSH, one was retained by the court, and a copy was kept by Mr. Rogovin. Brennan advised that no restrictions were placed by Judge Poos on the Defense concerning its use of the FRINZI logs -- expressed or implied. According to Brennan, WALSH subsequently brought out FRINZI's name in court and when FRINZI was contacted by press media, he admitted he was the lawyer who had been surveilled.

USA Brennan advised that Judge Poos and all of the prosecuting staff, including [redacted] have assumed that Attorney WALSH immediately made the logs available to FRINZI as the latter was also a lawyer of record in the BALISTRIERI case, and had complete access to the logs.

USA Brennan advised that after reviewing the transcript of testimony in the case and discussing the matter with Judge Poos, and after this aspect had again been discussed with the Department, it was concluded that there were no court restrictions to prevent FRINZI from using information from the FRINZI log, even in proceedings outside the BALISTRIERI case, such as in the local WILLIAM COVELLI trial in Kenosha. USA Brennan stated Attorney FRINZI's actions in the COVELLI case were reviewed with Judge Poos and the Judge indicates he thinks FRINZI is idiotic to try to use this log information outside the BALISTRIERI case in view of the unfavorable information therein pertaining to FRINZI, but raised no objection if FRINZI wants to embarrass himself publicly.

Brennan stated that based on [redacted] transcript review, discussion with Judge Poos and discussion with the Department, there appears

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Approved: _____ Sent: _____ M Per: _____
 Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

Airtel to Bureau
 MI 66-950
 12-2-66

to be no basis for contempt action or other order from the Springfield court to prevent FRINZI's use of the information contained in the FRINZI log, and it would appear that FRINZI could even make a public record of the log if he desired.

It is noted MIAirtel to Bureau 12-1-66 set forth information concerning a hearing scheduled for 12-5-66 by the Milwaukee City Council to consider a proposed ordinance banning the use of wire tapping and containing criminal sanctions covering both local and federal officials. Information received by SAC, Milwaukee, 12-1-66, indicated an invitation to this hearing would be received by SAC, Milwaukee, among other officials.

On 12-2-66, written invitation dated 12-1-66 on letterhead of Office of the City Clerk, City of Milwaukee, was received by mail at Milwaukee office inviting SAC to above-mentioned hearing 12-5-66 at 10:30 A.M., which hearing would be held by Alderman [redacted] Chairman, Committee on Judiciary-Legislation. The number of the proposed ordinance was given as 66-2531. The Bureau has been previously advised that SAC, Milwaukee, does not contemplate attending the scheduled hearing.

On 12-2-66, USA Brennan advised SAC, Milwaukee, that he had heard of the scheduled hearing but had as yet not received any invitation, himself. He advised that since the proposed ordinance appears to contain criminal penalties covering federal officials as well as local or state officials in regard to wire tapping activity, he contemplated discussing the matter with the Department as to whether anyone from the U. S. Attorney's office should attend the hearing. He felt at this time that no one from USA's office would be in attendance.

Foregoing for Bureau's information. Subsequent developments in regard to this matter will be furnished to the Bureau.

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b7c

F B I

Date: 12/7/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (92-3116)

FROM: SAC, SPRINGFIELD (92-209) -P-

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

(OO: MILWAUKEE)

On 12/7/66, United States Attorney's Office, Springfield, Illinois, advised that on 12/5/66, a hearing was held and the outcome was that on 1/16/67 a notice was to be submitted to the Court and the Government if defendant wanted to continue suppression herein. Also, the date of February 1, 1967, was set for the suppression hearing if necessary and trial to commence at 10:00 A.M. March 1, 1967.

Milwaukee will be kept advised of any further developments.

REC- 52

92-3116-463

DEG D 1966

3 - Bureau
 1 - Milwaukee (Info.)
 2 - Springfield (92-209)
 JTG/lji
 (6)

55DEC151966

Approved: _____ Sent: _____ M Per: _____
 Special Agent in Charge

SPECIAL INVESTIGATIVE DIVISION

December 7, 1966

Judge Poos has granted a 90-day postponement to March 1, 1967, in the Balistreri tax case. He also ordered defense attorneys to furnish by January 15, 1967, further plans on motion to suppress. Hearing on this set for February 1, 1967. United States Attorney Brennan hopes to conclude action on motion to suppress prior to March 1, 1967.

In recent action by Dominic Frinzi, one of Balistreri's attorneys on whom we had coverage, to utilize this fact for dismissal of state perjury charges against his client William Covelli Government made motions before Judge Poos to restrict use of logs, which were denied. State judge hearing Covelli matter postponed case until December 28, 1966, and will further postpone, if necessary, until Balistreri tax trial concluded. If Agent who participated in Frinzi microphone surveillance meanwhile required to appear in Covelli case, United States Attorney's office will invoke executive privilege to prevent this testimony. Matter being closely followed by Milwaukee.

JGL:tjm

[Handwritten signatures and initials follow, including "JGL", "tjm", "John", and "Milwaukee".]

F B I

Date: 12/5/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTELAIR MAIL REGISTERED

(Priority)

Dix

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Glavin
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS, DIVISION 9
 FROM: SAC, MILWAUKEE (66-950) JUNE
 SUBJECT: FRANK PETER BALISTRIERI
AR MAFI - RACKETEERING

REC-

ReMI-airtel 12/2/66.

On 12/5/66 USA JAMES B. BRENNAN, EDW, advised SAC, Milwaukee, that Judge POOS, presiding in current BALISTRIERI tax case at Springfield, has granted a 90-day postponement to 3/1/67. USA BRENNAN advised that the court has ordered the defense attorneys by 1/15/67 to furnish to the prosecution and court their program as to what they intend to present in regard to the defense motion to suppress evidence. Hearing on this aspect has been set for 2/1/67 and the prosecution may then respond to arguments presented by the defense for the motion. USA BRENNAN advised that the prosecution hopes to conclude action in regard to suppression prior to the 3/1/67 trial resumption date.

USA BRENNAN further advised that AUSA [redacted] had made two motions to the court, (1) to restrict the use of any electronic surveillance logs concerning the 3 established surveillances to the BALISTRIERI case alone, which the court denied, and, (2) to restrict the use of these logs at least until the completion of the BALISTRIERI tax trial. The court also denied this motion. This action of the court appears to confirm the status of DOMINIC FRINZI's contemplated use of FRINZI logs outside the BALISTRIERI tax case, referred to in re-airtel.

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In regard to scheduled re-appearance of witnesses at the state trial of WILLIAM COVELLI for perjury set for 12/28/66, it is noted that the previous subpoena was continued in effect,

4-Bureau AM RM (cc: Bufile 162-777) REC-44 92-316-46
 2-Milwaukee (cc: MI File 162-49)
 PHF:mk

(6)

E. C. Wick

Approved:

DEC 1 1966
Special Agent in Charge

Sent _____ Per _____

4 DEC 1 1966

ROZAMMIS

SAC

FBI

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

although SA [redacted] was not called to the stand at the recent hearing in Kenosha. Since Circuit Judge BAKER has indicated he will again delay the COVELLI motion to suppress hearing if the BALISTRERI tax trial is not concluded by 12/28/66, close contact will be maintained with state prosecutor [redacted] to ascertain if it will be necessary for SA [redacted] to actually appear at Kenosha on 12/28/66, in view of current postponement to 3/1/67 of BALISTRERI trial. USA BRENNAN advised if it is necessary for SA [redacted] to return to Kenosha 12/28/66, he will make certain a number of USA's staff accompany SA [redacted] to Kenosha, and executive privilege will be invoked if necessary.

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These matters will be closely followed and Bureau kept advised of developments.

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

12/3/66

SPECIAL INVESTIGATIVE DIVISION

Information received that a committee of Milwaukee City Council will have hearing 12/5/66 to consider proposed city ordinance banning use of wire tapping. Action believed result of pressure by Dominic Frinzi, Balistreri attorney, and Bar Association. Invitations for appearance allegedly sent to Frinzi as well as Milwaukee Chief of Police, a communications union official, ~~and~~ SAC, Milwaukee. No invitation yet received by SAC, Milwaukee.

SAC, Milwaukee advises he will not attend such hearing if invitation received unless advised to the contrary by the Bureau.

Special Investigative Division
agrees with recommendation and that
no comment be made in event
inquiries received concerning
SAC's absence in event invitation
received.

AAS/

Best Available Copy

FBI

Date: December 1, 1966

Transmit the following in _____
(Type in plaintext or code)Via AIRMAILAIR MAIL - REGISTERED(Priority) *Rush**1016*TO : DIRECTOR, FBI Attn. T. J. MC ANDREWS, Division 3

FROM: SAC, MILWAUKEE (94-313)

RE: ~~WIRE TAPPING PROBLEMS~~

30MAirtel 11-29-66.

*REC-19
REC-19*

~~30MAirtel set forth information concerning contact of SAC, Milwaukee, 11-29-66, by [redacted] Wisconsin Telephone Co., re possibility that company officials might have to make a policy statement as to intended future procedures relative to making lease lines available which might be utilized for electronic surveillances.~~

On 11-1-66, [redacted] telephonically advised SAC, Milwaukee, that the Milwaukee City Council has called a hearing for Monday, 11-14-66, of the judicial and legislative committee of the Council, to consider a proposed city ordinance banning the use of wire tapping. According to [redacted] the proposed ordinance in effect would (1) prohibit the interception or aiding in interception of any conversation taking place via wire transmission without permission of sender or receiver; (2) prohibit divulgence of any intercepted message or conversation traveling via wire communication without permission of sender or receiver; (3) prohibit electronic surveillance by any person not present or invited to a conversation through use of any instrument, without the consent of all parties to the conversation; (4) would attach criminal penalties for any trespass made to effect electronic surveillance; and (5) would attach criminal liability in the event any public official or law enforcement officer failed to enforce the provisions of the ordinance, to include Federal, State or local officials. [redacted] advised the proposed penalty for violations of the ordinance provisions would be \$500.00.

3 - Bureau (Air Mail - Registered)

1 - Milwaukee (94-313)

20: *rec-19*
(4) *rec-19*

REC-19

92-316-465

EX-104

20 DEC 3 1966

62 DEC 23 1966

Approved: *PJF*

Sent _____ M Per _____

Special Agent in Charge

COPY SENT TO C. J. WOLSON

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F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

Airtel to Bureau
MI 94-313
12-1-66

Page 2

[redacted] further advised that the Council was sending out invitations to various officials who might desire to be heard before the committee, and [redacted] was aware that among those to be invited would be DOMINIC FRINZI (attorney of record in the FRANK PETER BALISTRERI tax trial in Springfield, Ill.) Chief of Police Harold Breier, SAC, Milwaukee FBI office,

[redacted] Communications Workers of America, the union of the Telephone Co., and various other officials. [redacted] commented that the officials at Wisconsin Telephone Co. felt at this time that they would probably have someone attend the hearing, as it appeared the proposed ordinance directly affected the Telephone Co. operations. [redacted] asked whether SAC, Milwaukee, would attend the hearings and was advised that no invitation had been received to date, but that SAC does not contemplate attendance at the above-mentioned hearing.

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It is noted that spokesmen for the Milwaukee Bar Association and Wisconsin State Bar Association recently made a joint statement to the press in which it was stated that the Associations intended to investigate the circumstances surrounding reported electronic surveillance of the office of a Milwaukee attorney (DOMINIC FRINZI). As members of the Bar Associations are closely associated with City Council members, it is felt that the current action of the City Council is in all probability a result of pressure engendered by Bar Association members, and DOMINIC FRINZI, in particular.

// In event such invitation as noted above is received by SAC, Milwaukee, SAC will not attend City Council hearing, UACB.

UNLESS ADVISED TO CONTRARY BY [redacted]

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

SPECIAL INVESTIGATIVE DIVISION

December 2, 1966

Dominic Frinzi, Milwaukee attorney, has announced his candidacy for the Wisconsin State Supreme Court next Spring.

Frinzi is one of defense counsel in current tax trial of Milwaukee hoodlum Frank Balistrieri. Log of our microphone coverage on Frinzi was furnished to the Department and to court and has come to attention of Frinzi in connection with the Balistrieri trial.

JGL:tjm

(Mount Clipping in Space Below)

Frinzi Seeks Election to State's High Court

Atty. Dominic H. Frinzi announced Wednesday that he would run for the state supreme



Franzi

an issue in the campaign. Frinzi is 45. Currie will be 67 on Jan. 16.

An attorney for 15 years, Brinzi will be making his first try for a judicial post.

Frinzi said: "I am a younger man. Currie won't be able to serve a full 10 year term because of the requirement that justices retire at age 70. People should elect me because of that. Otherwise, they will have the cost of another election."

"I also will make an issue of the fact that Currie voted with the majority in the Braves' case," Frinzi said.

He referred to the supreme court's decision overturning the finding of Circuit Judge Elmer W. Roller that baseball violated the state antitrust law in permitting transfer of the club to Atlanta.

The supreme court voted 4 to 3 to overturn Judge Roller's decision.

Frinzi was born in Milwaukee and now lives at 7304 W. Wisconsin av., Wauwatosa. He attended Marquette university and was admitted to the bar after passing its examination. Frinzi has had a general legal practice, including a number of widely publicized criminal

100,000 votes in the 1964 primary against Gov. Reynolds. Frinzi ran third in a field of four in the 1966 primary, which was won by Lt. Gov. Lucey.

Frinzi said he would begin his campaign at once and probably would hold a news conference Friday in Madison. Frank Campenni, who was prominent in both his campaigns for governor, again will manage the Frinzi campaign.

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 15
MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN

Date: 12/7/66 LATIST

Authors:

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Editor: John C. Weller

**DOMINIC HENRY
FRINZI**

AR

Character:

or

Classification

G. 1 - 144

Submitting

Being

Digitized by srujanika@gmail.com

REC-19 92-2086-A
EX-104 NOT RECORDED
145 DEC 13 1966

FBI

Date: 12/6/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTELAIR MAIL
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS, DIVISION 9
CRIME RECORDS DIVISION

FROM: SAC, MILWAUKEE (94-316)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

ReMI airtel 12/2/66 advising Milwaukee City Council to hold hearing 12/5/66 concerning proposed ordinance to ban wire tapping on part of local or Federal officials.

Enclosed are 2 copies each of clippings from Milwaukee Journal newspaper of 12/5/66 and Milwaukee Sentinel newspaper of 12/6/66 re appearance of DOMINIC FRINZI, attorney assisting MAURICE WALSH as defense counsel in BALISTRIERI tax case at Springfield, before a hearing of Milwaukee City Council which was held 12/5/66. These clippings are forwarded by airtel for Bureau's information. To date, news media have not requested any comments of SAC, Milwaukee, re City Council hearing. However,

[redacted] WISN-TV, who has been most cooperative with Milwaukee Office, advised SAC, Milwaukee, 12/6/66 that his staff had contacted USA JAMES B. BRENNAN for any comments that USA BRENNAN might desire to make re City Council hearing. According to [redacted] USA BRENNAN advised him that he would not make any comment re this matter while the BALISTRIERI trial is in progress but after same is completed, he would be glad to answer queries from press media re any locally proposed anti-wire tapping legislation. SAC, Milwaukee, if contacted by press media re this matter, will, of course, make no comment under the circumstances.

Bureau will be kept advised concerning developments regarding foregoing.

ENCLOSURE

REC-63

- 466

4 Bureau (encls.-4) AM
1-Milwaukee
PHF:mk
(5)

3 DEC 8 1966

60 DEC 29 1966

Approved:

Special Agent in Charge

Sent

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Per

NINE

CRIME RESEARCH

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ATTN: MR. T. J. MC ANDREWS
DIVISION 9

Frinzi Asks City to Ban Wire Taps

Atty. Dominic H. Frinzi Monday urged the common council's judiciary committee to recommend adoption of an ordinance to prohibit wire tapping or bugging of private conversations.

Frinzi spoke in support of an ordinance proposed by Ald. Mark W. Ryan. Frinzi said he was outraged because testimony in the tax evasion trial of Frank P. Balistrieri, Milwaukee night club operator, revealed that the FBI used an electronic eavesdropping device to pick up conversations in Frinzi's law office.

The attorney said the ordinance was needed to "keep a police state from existing."

"A microphone was placed in our office leading to a cable going direct to the FBI," Frinzi said.

The eavesdropping took place from Apr. 22 to Oct. 2, 1963, he said, adding:

"Some of the most confidential relationships were bugged by the FBI."

Also supporting the ordinance was Jacob F. Friedrich, president of the Milwaukee County Labor council.

"This evil is so widespread that legislation must come," he said. "It ought to come from the government closest to the people."

William J. Mulligan, an attorney for the Wisconsin Telephone Co., said his firm did not oppose the ordinance. But he said such a law would need some exceptions to enable the

telephone company to service, for instance, long distance calls and check wires being repaired.

Mulligan also asked the committee to consider whether it should act on the ordinance before congress completed a study of possible legislation in the same field.

The committee voted to lay over the matter for six weeks to obtain additional information.

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 1
THE MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN

Date: 12/5/66
Edition: LATEST

Author:

Editor: LINDSAY HOBEN
Title: FRANK P. BALISTRIERI
INCOME TAX

Character:

or

Classification: 5-0

Submitting Office: MILWAUKEE

Being Investigated

RE-3116-466

ENCLOSURE

(Mount Clipping in Space Below)

Frinzi Urges Bugging Ordinance

A lawyer whose office was bugged by the federal bureau of investigation urged the adoption Monday of a city ordinance which would prohibit wire tapping of private conversations.

Atty. Dominic H. Frinzi told a common council committee that bugging conversations between a lawyer and his client was "no different than putting a microphone in a confessional or in the doctor's office."

(During the tax evasion trial of Frank P. Ballistrieri, Milwaukee night club operator, the FBI acknowledged that it had used an electronic eavesdropping device to listen in on conversations in Frinzi's office. Ballistrieri was a client of Frinzi.)

"I'm outraged," Frinzi said of the bugging. "Some of the most confidential relationships were bugged—even conversations between my wife and my children and myself."

The council's judiciary committee is considering an ordinance proposed by Ald. Mark W. Ryan which would outlaw such practices.

Frinzi, who said his office was bugged from Apr. 22 to Oct. 2, 1963, said the ordinance was necessary to prevent a "police state."

Jacob F. Friedrich, president of the Milwaukee County Labor Council, said the ordinance was a very necessary piece of legislation."

"This evil is so widespread that legislation will come," he said. "It ought to come from the government closest to the people."

Atty. William J. Mulligan, representing the Wisconsin Telephone Co., said the company would not oppose the ordinance, provided it had "adequate exceptions to cover our normal operations."

He mentioned long distance calls placed through an operator, verification of busy signals and repair checks as situations which would need to be exempted.

He questioned whether the city should adopt an antibugging ordinance while similar national legislation is being contemplated by congress.

The committee agreed to consider the matter again in six weeks, after additional information was obtained.

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 13**MILWAUKEE SENTINEL**
MILWAUKEE, WISCONSIN

Date: 12/6/66

Edition: FINAL

Author:

Editor: HARRY SONNEBORN

Title: FRANK P.

BALISTRERI

INCOME TAX

Character:

or

Classification: 5-0

Submitting Office: MILWAUKEE

 Being Investigated

ENCLOSURE

466

SPECIAL INVESTIGATIVE DIVISION

December 14, 1966

Milwaukee Bar Association has appointed a committee of 8 attorneys to inquiry into the use of electronic surveillance on the office of Dominic Frinzi, a Milwaukee attorney who is representing La Cosa Nostra hoodlum leader Frank Balistrieri in his current income tax trial at Springfield, Illinois. This group will not hold proceedings until after the Balistrieri case which has been postponed to March 1, 1967. Information of our coverage on Frinzi was disclosed by one of Balistrieri's defense counsel Maurice Walsh and Department attention has been called to failure to secure proper protective order against disclosure of Frinzi's surveillance.

JGL:skh

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AN

SKH

F B I

Date: December 13, 1966

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL-REGISTERED MAIL
(Priority)

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Felt
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

TO: DIRECTOR, FBI (92-2116) Attn: Section Chief
Thomas J. McAndrews
FROM: SAC, MILWAUKEE (94-316)(P) Division 9
SUBJECT: FRANK PETER BALISTRIERI, aka
AR
OO: MILWAUKEE

REC-11

Re Milwaukee airtel to Bureau, 12/1/66.

Enclosed herewith for the Bureau is the original and one Xerox copy of a newspaper article entitled "8 Named To Probe Bugging" which appeared in the December 10, 1966 issue of the Milwaukee Sentinel, a daily newspaper of general circulation published in Milwaukee, Wisconsin.

The names of the 8 attorneys have been searched through the indices of the Milwaukee office. There is no identifiable information contained therein concerning [redacted]

[redacted]
Milwaukee office indices contained the following information identifiable with [redacted] On 8/17/65, [redacted] PCI, advised that "she had heard that [redacted] was performing legal services for the hoodlum element." [redacted] is not further identifiable and no subsequent information appears in Milwaukee office indices concerning the statement of [redacted]

4-Bureau (AM-RM) (Encls. 2) REC-22
1-Milwaukee (94-316)
JEO/ah
(5)

EX-104
ENCLOSURE

94-3116-461
DEC 14 1966

Approved:

1966

Special Agent in Charge

Sent

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Per

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Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 94-316

With respect to [redacted]
Wisconsin attorney who was formerly an SAC contact of
the Milwaukee office in the 1950's and whose services
were discontinued due to lack of productivity.

The Bureau will be kept advised of future
developments in this matter.

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-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

(Mount Clipping in Space Below)

Saturday, Dec. 10, 1966

8 Named To Probe Bugging

Eight men who will investigate the report that a Milwaukee attorney's office was bugged were named Friday by Circuit Judge George D. Young, president of the Milwaukee Bar association, and Ray T. McCann, president of the state bar.

The committee of eight will not hold any meetings until the conclusion of the federal trial of Frank P. Balistrieri, Milwaukee night club operator, which has been adjourned to March.

The committee will investigate reports that federal agents bugged the office of Atty. Dominic Frinzi during the investigation of Balistrieri. There was testimony during the Balistrieri trial that agents used electronic equipment in Frinzi's office.

Charles Goldberg of Milwaukee will be the committee chairman. The other Milwaukee attorneys on the committee are John Kluwin, John Beyers, Edward Meldman and Nathaniel Rothstein. The other attorneys are Frank Wilcox of Eau Claire, Lyle Beggs of Madison and Randolph Anderson of Superior.

(Indicate page, name of newspaper, city and state.)

PART II, PAGE 8
Milwaukee Sentinel
Milwaukee, Wisconsin

Date: 12/10/66
 Edition: Morning
 Author:
 Editor: Harry Sonneborn
 Title:
FRANK P. BALISTRIERI

Character: AR
 or
 Classification: 5-0
 Submitting Office: Milwaukee
 Being Investigated

Z-316-467
 REC'D 12/10/66

The Acting Attorney General

December 16, 1966

ST Director, FBI

1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

WILLIAM COVELLI
ANTI-RACKETEERING

In my memorandum to you of December 5, 1966, reference was made to receipt of a report that Dominic Frinzi, Milwaukee, Wisconsin, who is one of the defense attorneys for Milwaukee hoodlum Frank Peter Balistreri, intended to seek dismissal of state perjury charges against his client William Covelli and had filed a motion to suppress based on the fact that the FBI had an electronic surveillance on Frinzi's office during the time he was acting as attorney for this defendant. We advised you concerning our electronic coverage of Frinzi in connection with the pending income tax trial of Balistreri in Springfield, Illinois.

Mr. Leroy Dalton, Assistant Attorney General, State of Wisconsin, contacted our Milwaukee Office on December 9, 1966, concerning information Frinzi might have received from FBI data relative to the electronic surveillance of his office. Mr. Dalton mentioned that in the motion to suppress, which has been set for hearing in State Circuit Court, Kenosha, Wisconsin, December 28, 1966, in the case involving Covelli, Frinzi avers that admissions were made in the Balistreri tax trial concerning this coverage. In this regard, it is noted that FBI personnel did not identify Frinzi in their testimony during the Balistreri trial. Frinzi's identity was disclosed by defense attorney Maurice Walsh after the defense had received the log of the Frinzi electronic coverage.

Mr. Dalton said information had come to his attention which was attributed to [redacted] also a defense attorney for Balistreri, to the effect that Frinzi allegedly has information concerning some type of FBI report which was made available to Wisconsin state authorities. Mr. Dalton said his office was concerned as to whether any documents to which Frinzi might have had access in the Balistreri tax case would indicate such information. Our Milwaukee Office has advised that there is no mention in the Frinzi log of any FBI

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JCL:mlp
(10) JAN 4 1967

NOT RECORDED

DECEMBER 16 1966

SEE NOTE PAGE 2

The Acting Attorney General

report or data. Mr. Dalton was advised that we had not furnished any data to Frinzi and that any material made available to the defense in the Balistreri case would have been handled by Department attorneys and the United States District Judge in Springfield, Illinois.

Mr. Dalton advised that Wisconsin State Attorney General Lafollette felt that efforts should be made to overcome the motion to suppress filed by Frinzi in the Covelli case and that an attempt should be made to determine what data Frinzi has to support his motion. Dalton said the State Attorney General's office may contact the Department and possibly Judge Poos at Springfield to determine what light can be shed on this situation and also to find out what restrictions, if any, Judge Poos may have placed on the use of Government information by defense attorneys outside of the Balistreri case.

This is for your information.

I - The Deputy Attorney General

I - Mr. Mitchell Rogovin
Assistant Attorney General

I - Mr. Fred M. Vinson, Jr.
Assistant Attorney General

NOTE: Dominic Frinzi a Milwaukee attorney who is one of the recorded defense attorneys for Milwaukee hoodlum Frank Peter Balistreri learned of FBI microphone coverage on his office during the Balistreri case and has filed a motion to suppress in a state perjury charge against one of his clients, William Covelli a Milwaukee racketeering figure. Acting Attorney General has previously been furnished with details of this situation.

F B I

Date: 12/10/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL - REGISTERED
(Priority)

TO: DIRECTOR, FBI
ATTN: T. J. MC ANDREWS, DIVISION 9

FROM: SAC, MILWAUKEE (66-950)

SUBJECT: FRANK PETER BALISTRIERI
AR

JUNE

Re Milwaukee airtel, 12/5/66; and Milwaukee telephone call to Bureau, 12/9/66.

MEMO DATE 12-14-66
REG'D BY CC VINCENT
TGL:JWP

On 12/9/66, Mr. LEROY DALTON, State Assistant Attorney General (AAG), Madison, Wisconsin, telephonically contacted SAC, Milwaukee, to discuss possibility of State leaving what FBI data DOMINIC FRINZI might have in his possession relative to electronic surveillance of FRINZI. DALTON referred to FRINZI's current motion to suppress pending hearing in State Circuit Court, Kenosha, in perjury case against WILLIAM COVELLI, noting FBI FRINZI averred admissions in BALISTRIERI tax trial of such coverage. (It is noted FBI Agent did not identify FRINZI as subject of coverage in tax case testimony. This was done by defense attorney MAURICE WALSH after defense received FRINZI logs).

DALTON also advised comments coming to attention of his office as emanating from Attorney [REDACTED] assisting WALSH on tax case, indicate FRINZI is supposed to have some information from FBI which indicates some type of FBI report was made available to State authorities. DALTON stated his office was concerned whether any documents to which FRINZI might have access in the tax case might indicate this.

4 Bureau (AM-RM) 1-(162-777-COVELLI)
2 Milwaukee (66-950)
PHF:rab
(6)

1 DEC 1966

ENCLOSURE COPY FILED IN
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Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

For information of the Bureau, review of Milwaukee special indices recently completed notes one reference to a [redacted] located in 5/14/63 FRINZI log, wherein FRINZI [redacted]

[redacted] No mention made of FBI or any report or data.

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SAC, Milwaukee, advised DALTON that this office has not furnished any data to FRINZI and any data made available to defense in tax case would have been handled by Departmental attorneys and USDJ, Springfield, in which action FBI personnel were not involved. Established policy of FBI not to disseminate data or documents in this area to State or local authorities was reviewed with DALTON, as well as the definite desire of the FBI that its information or personnel not become further involved in the WILLIAM COVELLI or related State cases.

DALTON stated he understood FBI's position in this matter and had no desire to involve the FBI; however, State Attorney General LAFOLLETTE felt an effort should be made to stop FRINZI at the scheduled COVELLI hearing, 12/28/66, and the State AG considers they should try to determine what data FRINZI may actually have to support his suppression motion. DALTON stated his office may contact the Department and possibly Judge POOS at Springfield, Illinois, to see what might be made available and also what restrictions Judge POOS may have placed on use of Government information by defense attorneys outside the BALISTRIERI case.

Bureau will be kept advised regarding developments in this matter.

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

8

(Mount Clipping in Space Below)

Saturday, Dec. 10, 1966

3 Named To Probe Bug-Jing

Eight men who will investigate the report that Milwaukee attorney's office was bugged were named Friday by Circuit Judge George D. Young, president of the Milwaukee Bar association, and Ray T. McCann, president of the state bar.

The committee of eight will not hold any meetings until the conclusion of the federal trial of Frank P. Balistreri, Milwaukee night club operator, which has been adjourned to March.

The committee will investigate reports that federal agents bugged the office of Atty. Dominic Frinzi during the investigation of Balistreri. There was testimony during the Balistreri trial that agent used electronic equipment in Frinzi's office.

Charles Goldberg of Milwaukee will be the committee chairman. The other Milwaukee attorneys on the committee are John Kluwin, John Beyers, Edward Meldman and Nathaniel Rothstein. The other attorneys are Frank Wilcox of Eau Claire, Lyle Beyers of Madison and Rudolph Anderson of Superior.

(Indicate page, name of newspaper, city and state.)

PART II, PAGE 8
Milwaukee Sentinel
Milwaukee, Wisconsin

Date: 12/13/66
Edition: Morning
Author:
Editor: Harry Sonneborn
Title:
FRANK P. BALISTRERI

Character:

A

or

Classification: S-0
Submitting Office: Milwaukee
 Being Investigated

F B I

Date: 12/27/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS, DIVISION 9
 FROM: SAC, MILWAUKEE (66-950) JUNE
 SUBJECT: FRANK PETER BALISTRIERI
 AR

ReMI-airtel to Bureau 12/16/66.

Enclosed herewith for Bureau are 2 Xerox copies of "Motion to Disclose and Produce Evidence" and "Affidavit" re State of Wisconsin, plaintiff, vs. WILLIAM COVELLI, defendant, received by Milwaukee Office 12/27/66 from Attorney DOMINIC H. FRINZI, Milwaukee, representing COVELLI in this matter.

For information of Bureau, M. EUGENE BAKER, Circuit Judge, Kenosha County, Wis., telephonically advised AUSA [redacted] EDW, Milwaukee, 12/27/66, that he will hold evidentiary hearing re this motion at 2 p.m. in Kenosha 12/28/66. Judge BAKER requested witnesses who have previously been subpoenaed will be expected to be in court when hearing is held.

Arrangements have been made with USA JAMES B. BRENNAN, EDW, Milwaukee, for SA [redacted] to be accompanied by member of his staff on 12/28/66 with instructions to invoke executive privilege should the necessity arise.

Developments in this matter will be closely followed and Bureau will be kept advised.

3-Bureau AM RM Encls.
 1-Milwaukee (66-950)
 JEO:mk
 (4)

REC-39

92-3116-469
12-67

1 DEC 29 1966

Approved: R. J. O'Brien

Sent _____ M

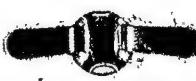
Per _____

Special Agent in Charge

JAN 2 1967

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ENCLOSURE

B-3116 -469

STATE OF WISCONSIN : CIRCUIT COURT :: KENOSHA COUNTY

STATE OF WISCONSIN,

Plaintiff

vs.

WILLIAM COVELLI,

Defendant.

Case No. _____

MOTION TO DISCLOSE
AND PRODUCE EVIDENCE

TO: THE HONORABLE M. EUGENE BAKER
Circuit Judge
Kenosha County Courthouse
Kenosha, Wisconsin

FRANCIS CROAK
Special Assistant Attorney General
660 East Mason Street
Milwaukee, Wisconsin

Now Comes WILLIAM COVELLI, by his attorneys, FRINZI,
CATANIA & NEUBECKER, and moves the Court on or about the 28th day of
December, 1966, at two o'clock p.m., or as soon thereafter as counsel can
be heard why the state of Wisconsin should not disclose and produce any and
all evidence, information, conversations, logs, diaries, summaries,
verbatim transcriptions, tapes, memos, or any other information, or leads
which were overheard, learned of or recorded in any manner by use of
electronic eavesdropping devices or other recording devices in relation to
the above named defendant resulting from the electronic eavesdropping or
electronic surveillance conducted during the period of April 22, 1963 to
October 2, 1963 on the law offices of Frinzi, Catania and Neubecker at 161
West Wisconsin Avenue, Milwaukee, Wisconsin, which electronic eavesdropping
or electronic surveillance was conducted by the Federal Bureau of Investigation,
and further, which electronic eavesdropping or electronic surveillance did
violate the defendant's rights to counsel under the Sixth Amendment of the
United States Constitution of due process of law and the defendant's rights to
under the 5th and 14th Amendments

privacy guaranteed by the Ninth Amendment of the United States Constitution.

Dated at Milwaukee, Wisconsin, this 22nd day of December,
1966.

FRINZI, CATANIA & NEUBECKER

BY: _____

Dominic H. Frinzi
Attorneys for Defendant

STATE OF WISCONSIN : CIRCUIT COURT : KENOSHA COUNTY

STATE OF WISCONSIN,

Case No. _____

vs.

Plaintiff,

WILLIAM COVELLI,

AFFIDAVIT

Defendant.

STATE OF WISCONSIN)
)ss
MILWAUKEE COUNTY)

DOMINIC H. FRINZI, being first duly sworn on oath deposes
and says:

1. That he is the attorney of record for the above named defendant, William Covelli.
2. That he is a member of the firm of Frinzi, Catania and Neubecker and that during the period of April 22, 1963 to October 2, 1963 he occupied the law offices at 161 West Wisconsin Avenue, room 7148, Milwaukee, Wisconsin.
3. That sometime during the first week of November, 1966, in the case of UNITED STATES OF AMERICA, Plaintiff, vs. FRANK PETER BALISTRIERI, Defendant, Criminal Action number 6602, being tried in the United States District Court, Southern District of Illinois, Southern Division, in which your Affiant is one of the attorneys of record, he became aware of the fact that one Joseph E. O'Connell, a member of the Milwaukee office of the Federal Bureau of Investigation, did admit in open court in the case before the Federal Court in Springfield, that he did arrange for the installation of a microphone in the office of Dominic H. Frinzi during the period aforesaid and that said microphone was in a place where the attorneys conversations with his

SEARCHED.....	INDEXED.....
SERIALIZED.....	FILED.....
DEC 27 1966	
FBI — MILWAUKEE	
J. E. O'Connell	

clients and any person that came to his office could be heard.

4. That sometime prior to May 18, 1962 to the present date your Affiant has from time to time acted as and represented the defendant in this action, William Covelli.

5. That during the period of April 22, 1963 to October 2, 1963 that your Affiant did speak to the defendant, William Covelli, and others with respect to Mr. Covelli's affairs.

6. That your Affiant makes this Affidavit in support of a motion to disclose and produce evidence, information, conversations, logs, diaries, summaries, verbatim transcriptions, tapes, memos, or any other information or leads which were overheard, learned of or recorded in any manner by use of electronic eavesdropping devices or other recording devices in relation to the above named defendant resulting from the electronic eavesdropping or electronic surveillance conducted during the period of April 22, 1963 to October 2, 1963 on the law offices of Frinzi, Catania and Neubecker at 161 West Wisconsin Avenue, Milwaukee, Wisconsin, which electronic eavesdropping or electronic surveillance was conducted by the Federal Bureau of Investigation, the Internal Revenue Service, the investigative officers who conducted the John Doe proceedings in Kenosha County, or any other law enforcement officer who may have received any information from the above named *F.B.I. DW* relating to the defendant, William Covelli.

1st Dominic H. Frinzi
Dominic H. Frinzi

Subscribed and sworn to before me
this 22nd day of December, 1966.

1st Dominic Gaceta
Notary Public, Wisconsin
My commission expires 2-19-67.

F B I

Date: 12/28/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS, DIVISION 9
 FROM: SAC, MILWAUKEE (66-950) JUNE
 SUBJECT: FRANK PETER BALISTRIERI
 AR

ReMI-airtel to Bureau 12/27/66.

Mr. EUGENE BAKER, Circuit Judge, Kenosha County, Wis., telephonically advised AUSA [redacted] EDW, Milwaukee, that evidentiary hearing of WILLIAM COVELLI scheduled for 2 p.m. in Kenosha 12/28/66 has been postponed due to heavy snow storm and hazardous driving conditions existing in southeastern Wis.

Judge BAKER further advised AUSA [redacted] he will re-schedule the evidentiary hearing in this matter at a yet undetermined date in February, 1967. Judge BAKER further confidentially advised AUSA [redacted] that in all probability he will not hold a hearing on this matter until such time as the present FRANK BALISTRIERI Federal income tax trial (now in recess) is completed in Springfield, Ill.

Milwaukee will continue to follow this matter closely and keep Bureau advised.

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3-Bureau AM RM
 1-Milwaukee
 JEO:mk
 (4)

REC-39 92-3116-470

DEC 23 1966

1-5-67

T. J. Mc Andrews

MURKIN
ROBERT MURKINSPECIAL AGENT IN CHARGE
DECEMBER 28, 1966

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Approved: PAB
Special Agent in Charge

Sent _____ M Per _____

F B I

Date: 12-27-66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO DIRECTOR, FBI (92-3116)
 ATTENTION SECTION CHIEF, THOMAS J. MC ANDREWS,
 DIVISION 9

FROM SAC, SPRINGFIELD (92-209)

RE: FRANK PETER BALISTRIERI, aka
 AR

OO: MILWAUKEE

Nic G

Re Milwaukee airtel to Bureau, 12-16-66, and
 Buairtel to Milwaukee, 12-22-66.

It has been determined that [redacted]

[redacted] resides in [redacted] Illinois,

(3) - Bureau (RM)
 1 - Milwaukee (94-316) (RM)
 1 - Springfield
 REG:VLS
 (5)

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92-3116-471
 REC-57

EX-115

61 JAN 20 1967

Approved: _____ Sent: _____ M Per: _____
 Special Agent in Charge

F B I

Date: 12/16/66

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS,
DIVISION 9

FROM: SAC, MILWAUKEE (66-960) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

9-17

ReMI-airtel to Bureau 12/10/66.

On 12/16/66 [redacted] state attorney prosecuting WILLIAM COVELLI in state circuit court, Kenosha, Wis., contacted SAC, Milwaukee, re current developments in connection with impending hearing in state case reset for 12/28/66. [redacted] advised that state Asst. Attorney General (AAG) LEROY DALTON had contacted USDJ POOS at Springfield, Ill. concerning possibility of state learning what information in BALISTRIERI tax trial pertaining to electronic surveillances was made available to BALISTRIERI defense attorneys and, thus, to DOMINIC FRINZI, who is defending WILLIAM COVELLI. It is noted that FRINZI currently has motion pending to suppress evidence in COVELLI case at Kenosha based on alleged information being obtained by state which may have emanated from electronic coverage of FRINZI by FBI in 1963. *(B)*

[redacted] stated that Judge POOS advised DALTON that the State of Wis. could intervene in the BALISTRERI case in Federal court with a motion to obtain the pertinent data, as an interested party. Judge POOS also advised DALTON, according to attorney [redacted] that there were not any restrictions on the use by DOMINIC FRINZI of the electronic surveillance data to which FRINZI had access in the BALISTRERI trial.

Attorney [redacted] stated he had made above development known to DOMINIC FRINZI a day or so ago at which time FRINZI had stated to [redacted] that he, FRINZI, would make the information

3-Bureau AM RM (encl -1)
1-Milwaukee
PHF:mk
(4) *cc of ENCL TO*
- ATT *5361*

Approved:

Sent _____ M Per

Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

in the FRINZI surveillance logs available to the state and it would not be necessary for them to have to make a motion in Federal court in Springfield. During that conversation FRINZI advised attorney [redacted] that the FRINZI logs made only one reference to COVELLI and he advised [redacted] substantially what that reference consisted of. [redacted] stated he inquired of FRINZI if FRINZI's comments were true, then why was he phasing a motion to suppress evidence in the COVELLI case on alleged contamination emanating from the coverage involved in the FRINZI logs. [redacted] advised that FRINZI then commented that he had another basis for using the FRINZI logs in the COVELLI case, and that was the fact that these logs appeared to be incomplete and inaccurate, since he had met several times at his office with COVELLI during the coverage period (4/63 - 9/63), and felt that possibly the FBI must have other information pertaining to COVELLI which had not been recorded in the FRINZI logs. [redacted] stated that he made no comment to FRINZI re this matter.

[redacted] advised that from what FRINZI told him concerning the lone reference to COVELLI, it appears FRINZI is simply attempting to utilize the logs in any manner he can to create a show in the Kenosha case, when actually the information in FRINZI's possession has no real bearing on the COVELLI matter at all. [redacted] stated that the state contends that the perjury for which COVELLI is being prosecuted occurred in Oct., 1964, about a year after the alleged period of electronic coverage of FRINZI. [redacted] stated in addition that the perjury of COVELLI can be proved through information supplied at the Oct., 1964 hearings without resorting to any prior information, whether from electronic coverage or otherwise, and in fact the state does not feel that it has received any information from the FBI which has any connection with any electronic coverage. He added that the state, of course, has not had the sources of the FBI information identified and would not be officially aware of the existence of any electronic coverage except for

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Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

the publicity emanating from the BALISTRERI case. He advised the state intends to attempt to bring the matter of FRINZI's motion to a head 12/28/66 and request circuit Judge BAKER to deny FRINZI's motion on a legal basis, as not being material to the perjury violation. Attorney [redacted] hopes that this will dispose of the motion without the necessity of getting to the point where the Federal Government must make a decision concerning appearance of SA [redacted] on the stand.

[redacted] advised that the state has no desire to reach the point of confrontation between FRINZI and Federal executive privilege any more than the Federal Government would desire to have to use that privilege in the local case.

[redacted] advised that he had also discussed this matter with USA JAMES B. BRENNAN and it now appears that USA BRENNAN will be permitted to allow [redacted] to review pertinent portions of the BALISTRERI trial testimony and evidence to enable the state to be prepared to oppose FRINZI at the 12/28/66 hearing. [redacted] further commented that as it now stands, SA [redacted] will need to be present at the 12/28/66 hearing, although [redacted] hopefully anticipates no reason for SA [redacted] to be called to testify.

It is noted that arrangements have previously been made with USA BRENNAN for SA [redacted] to be accompanied by the USA or a member of his staff on 12/28/66, with instructions to invoke executive privilege should the necessity arise. Developments in this matter will be closely followed and Bureau will be kept advised.

Enclosed for Bureau's information is copy of current motion being made by DOMINIC FRINZI in WILLIAM COVELLI case. It is noted Attorney [redacted] furnished same 12/16/66 and advised that he has told FRINZI that an amended motion will have to be filed in view of inaccuracies in initial motion, re FBI agents admitting that DOMINIC H. FRINZI was electronically

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

surveilled and also inaccuracy concerning CLARK LOVRIEN being involved in such surveillance. (LOVRIEN was no longer in FBI when FRINZI surveillance took place).

-4-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

92-316-472

ENCLOSURE

STATE OF WISCONSIN : CIRCUIT COURT : KENOSHA COUNTY

STATE OF WISCONSIN,

Case No. _____

Plaintiff,
vs.

WILLIAM COVELLI,

MOTION TO SUPPRESS
EVIDENCE OBTAINED BY
ELECTRONIC EAVES-
DROPPING

Defendant.

TO: THE HONORABLE M. EUGENE BAKER
Circuit Judge
Kenosha County Courthouse
Kenosha, Wisconsin

FRANCIS CROAK
Special Assistant Attorney General
660 East Mason Street
Milwaukee, Wisconsin

NOW COMES WILLIAM COVELLI, by his attorneys, FRINZI, CATANIA & NEUBECKER, and moves the Court on or 'about' the first day of December, 1966, at two o'clock p.m., or as soon thereafter as counsel can be heard for an Order Suppressing for use as evidence any and all information, knowledge or conversations and leads emanating therefrom which were overheard, learned of or recorded in any manner by the use of electronic eavesdropping devices or other recording devices in the investigation of all matters relating to this case or in any way involved therein. In support thereof the defendant asserts:

1. That during the period from April 22, 1963 to October 2, 1963 he conferred privately with his attorney, Dominic H. Frinzi, at his attorneys offices at 161 West Wisconsin Avenue, Milwaukee, Wisconsin.

That these conferences were numerous and concerned matters on which he sought his attorney's professional advice; further, that he had several telephone conversations with his attorney during this period regarding matters upon which he sought his attorney's professional advice.

92 - 3116 - 472

2. That in a case entitled UNITED STATES OF AMERICA vs. FRANK P. BALISTRIERI (Being Tried as Criminal Action 6602 at Springfield, Illinois, After Transfer from Milwaukee, Wisconsin) special agents of the Federal Bureau of Investigation, Department of Justice, admitted that there was electronic surveillance conducted on one Dominic H. Frinzi, Attorney at Law, at 161 West Wisconsin Avenue, Milwaukee, Wisconsin, from a period beginning on April 22, 1963 and ending on October 2, 1963.

That special agents of the Federal Bureau of Investigation further admitted that this surveillance was constant and that conversations in the office were recorded on tape and reduced to typewritten summaries by Federal Bureau of Investigation personnel.

3. That special agent John A. Holzman testified in the matter described in paragraph 2, supra, that one "Mr. Lovrien" a special agent of the Federal Bureau of Investigation participated in an electronic surveillance referred to in paragraph 2, supra.

That the defendant is informed and believes that the "Mr. Lovrien" referred to in special agent Holzman's testimony is the one Clark Lovrien, who was a criminal investigator employed by the Attorney General of the State of Wisconsin, the prosecutor in the instant case.

WHEREFORE, it is requested that this court hold a hearing and require and take the testimony of Clark Lovrien and others engaged in the investigation of this case, to determine whether they obtained information, knowledge, or leads emanating from such information and knowledge acquired by the use of the aforesaid devices and methods.

Dated at Milwaukee, Wisconsin, this 30th day of November, 1966.

FRINZI, CATANIA & NEUBECKER

RY: _____

Edward F. Neubecker
Attorneys for Defendant

UNITED STATES GOVERNMENT

Memorandum

DEPARTMENT OF JUSTICE

TO : Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation

FROM [redacted]
Acting Attorney General

SUBJECT: Frank Peter Balistrieri

DATE: January 3, 1967

RC:MR:mo'b
5-85-2146

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I have discussed your December 22, 1966, memorandum regarding [redacted] with Mr. Rogovin and believe, in light of the pending trial of Frank Balistrieri, the Bureau should hold off any investigation.

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The information will be communicated to Judge Poos by our trial attorney, [redacted] when he returns to Springfield. All microphone logs in this case have been turned over to the defendant's attorney. Thus, while this potential of subversion is moot, the matter is certainly serious.

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Mr. Tolson	✓
Mr. DeLoach	✓
Mr. Mohr	
Mr. Mack	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

REC 53

6 - 3116 - 473

EN-115

PROOFS
JAN - 3 - 1967

F B I

Date: 1/13/67

Transmit the following in _____
(Type in plaintext or code)

AIRTEL

AIR MAIL REGISTERED

Via _____ (Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS,
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

ReMI-airtel 12/2/66 containing information re receipt by SAC, Milwaukee, on that date of written invitation from Office of City Clerk, City of Milwaukee, inviting SAC to attend hearing 12/5/66 to be held by Alderman [redacted] chairman, Committee on Judiciary-Legislation in regard to proposed Ordinance #66-2531 "...wiretapping ordinance." It is noted SAC did not attend above hearing.

For Bureau's information, on 1/13/67 SAC received through the mail another hearing notice dated 1/12/67 in regard to above matter, inviting attendance at a hearing to be held 1/16/67 at 10 a.m. Alderman [redacted] is the man indicated as the Milwaukee city official holding the hearing. SAC does not contemplate attendance.

^{be}
Bureau will be advised of any pertinent information obtained concerning results of scheduled hearing and any other pertinent developments.

3 Bureau AM RM
1-Milwaukee
PHF:mk
(4)

ST-118

REC 27

2-3 JAN 30 1957

6

Approved: JAN 20 1967
Special Agent in Charge

Sent _____ M Per _____

AIRTEL REC'D 16
9:31 AM - 475

12-22-66

1 - Mr. DeLoach 1 - Mr. Rosen
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

To: SACs, Milwaukee
Springfield

From: Director, FBI

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

ReMIAirtel 12-16-66.

The information made available by the Milwaukee informant is being brought to the attention of the Department with the request that it immediately be made available to Judge Poos.

In view of the foregoing, no action should be taken by the Milwaukee or Springfield Offices with respect to the dissemination of information received from the informant

Milwaukee should be alert for additional information with respect to information concerning [redacted]

Springfield should advise the Bureau [redacted] only if same can be obtained on discreet basis.

NOTE: See memorandum J.H.Gale to DeLoach, same caption, 12-21-66, AAS:msm.

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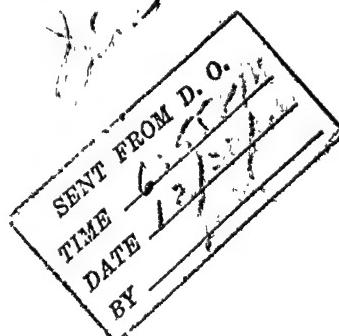
b6
b7C
b7D

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

AAS:msm
(10)

JAN 23 1967

MAIL ROOM TELETYPE UNIT



The Acting Attorney General

1 - Mr. DeLoach 1 - Mr. Rosen
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett December 22, 1966

Director, FBI

REC-16

C - 316 - 475

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

EX-115 Information has come to our attention from an informant of our Milwaukee Office who has furnished reliable information in the past concerning the activities of Frank Balistrieri indicating [redacted]

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In view of the unscrupulous nature of Balistrieri and the fact that microphone logs significant to the Balistrieri trial are being maintained in the custody of the United States District Court in Springfield, Illinois, it is believed that this information should be immediately brought to the attention of Judge Poos by representatives of the Department.

It is requested that the Bureau be advised of the results of the contact with Judge Poos together with an indication as to whether any investigation should be conducted concerning this matter.

1 - The Deputy Attorney General

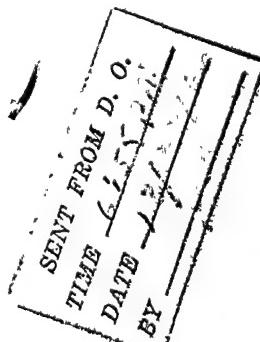
1 - Mr. Mitchell Rogovin
Assistant Attorney General

NOTE: See memorandum J.H.Gale to DeLoach, same caption, 12-21-66, AAS:msm.

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

AAS:msm
(10) *mwm*
sw

MAIL ROOM TELETYPE UNIT



1/16/67

SPECIAL INVESTIGATIVE DIVISION

In early December information received that Milwaukee City Council would have hearing 12/5/66 to consider proposed city ordinance banning use of wiretapping. Action believed result of pressure by Dominic Frinzi, hoodlum attorney and bar association. Special Agent in Charge, Milwaukee, received invitation and was instructed not to attend. A second invitation has now been received by Special Agent in Charge, Milwaukee, inviting attendance at a hearing 1/16/67.

Special Agent in Charge, Milwaukee, recommends and the Special Investigative Division concurs that Special Agent in Charge, Milwaukee, should not attend the presently scheduled hearing by a committee of the Milwaukee City Council on the subject of a proposed wiretapping ordinance.

AAS:dsa

F B I

Date: 12/16/66

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIRMAIL - REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI (92-3116)
 ATTENTION SECTION CHIEF, THOMAS J. MC ANDREWS,
 DIVISION 9
 FROM : SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: MILWAUKEE

At Milwaukee, Wisconsin

On December 16, 1966, during course of contact
 by CARLYLE N. REED with [redacted] who has furnished reliable
 information in the past and who is [redacted]

[redacted] the informant
 furnished the following information which appears to warrant
 being brought to the Bureau's attention:

Informant said he learned from [redacted]

[redacted]

[redacted] Informant did [redacted]
 and informant also had heard [redacted]

[redacted] Informant

3 - Bureau (92-3116) {AM} (RM)
 2 - Springfield (AM) {RM} [redacted]
 2 - Milwaukee (94-316) [redacted]

CNR/kdb
 (7)

DEC-16

b7D

b6

b7C

b7D

b7D

Wick

Approved: PMJ Sent _____ M Per 716
 Special Agent in Charge

Memo to DT 6/16/67
 File and let it be
 1/2/67 Adm

92-3116-475
 6/19 1966

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 94-316

identified [redacted]

b7D

Informant was quizzed closely as to the reliability of this information, and informant stated there was no question in his mind that [redacted]

Informant was asked, and he stated that [redacted]

[redacted] Informant could furnish no additional pertinent information concerning this matter.

Observations of the Milwaukee Division

It is known to Milwaukee that Federal Judge POOS of Springfield, Illinois, was in Milwaukee on November 21, 1966, as a visiting Judge since his name appears on the unofficial wall calendar in the office of the USA at Milwaukee on that date. In this regard, Judge POOS has sat from time to time in Milwaukee as a visiting Judge over the past year or more. Perusal of the USA's wall calendar does not indicate that Judge POOS is scheduled to visit Milwaukee in an official capacity at any time of the remainder of December, 1966, or in January, 1967. Therefore, it does not appear likely that [redacted]

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Realizing the unscrupulous nature of FRANK BALISTRIERI and the fact that it could be expected that he would go to any lengths to try to do most anything to win his Federal Income Tax trial in Springfield, Illinois, it would appear that [redacted]

[redacted] For example, if a Springfield informant had reported prior to the beginning of the

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F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 94-316

BALISTRIERI trial at Springfield that BALISTRIERI

[redacted] According to Springfield informant, such influence did not exist. [redacted]

The Milwaukee Division, of course, is entirely unacquainted with [redacted]

[redacted] Judge who resides at Springfield and is assigned to the Southern District of Illinois. It should be noted that considerable material from Bureau files is in the possession of the United States District Court at Springfield.

Suggested lead for Springfield

Milwaukee suggests that the SAC Springfield, if there are no known reasons to the contrary, should make discreet contact with Judge POOS [redacted]

The Bureau is requested to advise Springfield and Milwaukee of the approval or disapproval of this suggestion and unless authorized by the Bureau, SAC Springfield should not contact Judge POOS regarding this matter.

It should be noted that the FRANK BALISTRIERI Federal Income Tax Trial at Springfield is not scheduled to resume until March 1, 1967, the long recess having been occasioned by the chief counsel for BALISTRIERI; namely, MAURICE WALSH having suffered a heart attack and is now hospitalized.

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b7Db6
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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: December 21, 1966

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

An informant of our Milwaukee Office has advised of information received from [redacted]

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The informant indicated that [redacted]

[redacted] Informant also heard that [redacted]

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Milwaukee points out that information received from Springfield, Illinois, informants indicate that prior to Balistrieri's trial, [redacted]

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[redacted] Balistrieri, however, was unsuccessful in this regard. In view of this, Milwaukee points out that Balistrieri's unscrupulous nature would suggest that he would go to any length to gain information [redacted] it might serve his advantage, it being noted that considerable material such as microphone logs are in the possession of the U. S. District Court at Springfield.

Enc. sent 12-22-66 KJ
1 - Mr. DeLoach 1 - Mr. Rosen
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

REC-16
EX-115

92-3116-476
11 JAN 19 1967

AAS:msm
(6)

79 JAN 20 1967

8/10/67

Memorandum to Mr. DeLoach
Re: Frank Peter Ballistrieri

The Milwaukee Office has recommended that SAC
Springfield be authorized to discreetly contact Judge Poos

[Redacted]

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b7D

ACTION:

In view of the fact the Ballistrieri matter is currently a matter in trial, it is considered inadvisable for the Bureau to make any contact with the judge concerning this matter. It is, therefore, recommended that the Department be advised together with a request that the information be made available to Judge Poos. The Department is also being requested to advise when this has been accomplished and whether any additional investigation is desired. An appropriate letter to the Acting Attorney General attached.

The Milwaukee and Springfield Offices are being advised that no action by these offices is necessary at this time in view of the fact the information will be provided to the Department for transmittal to Judge Poos.

P *L* *JW* *JB* *JP*

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 1/19/67	INVESTIGATIVE PERIOD 11/21/66 - 1/13/67
TITLE OF CASE FRANK PETER BALISTRIERI, aka		REPORT MADE BY SA CARLYLE N. REED	TYPED BY kaj
		CHARACTER OF CASE ANTI-RACKETEERING	

REFERENCE

gf Report of SA CARLYLE N. REED dated 11/28/66 at Milwaukee.

- P -

ENCLOSURES

To the Bureau: Two copies of a letterhead memorandum characterizing informants utilized in this report.

To Springfield: One copy of the above-described memorandum.

Copy of Report for Springfield Division

One copy of instant report is designated for Springfield where lead is outstanding at Springfield, Illinois, to report results of subject's federal income tax trial which is still in progress

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED <i>[Signature]</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: ③ - Bureau (RM) (92-3116) (encls. 2) 1 - USA, Milwaukee 1 - Springfield (RM) (92-209) (encl. 1) (info) 2 - Milwaukee (94-316)	COVER PAGE A	92-3116-477 EX-103 12 JAN 23 1967	REG. 56

Dissemination Record of Attached Report			
Agency	1	CC. AAG, Criminal Division,	
Request Recd.			
Date Fwd.	Organized	Crime and Racketeering	
How Fwd.			
By	Section, Room	25211-3110-7	

Notations

*NINE
STAT SECT.*

MI 94-316

there and the trial has been recessed until 3/1/67.

LEAD

THE MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Will continue to follow and report activities of subject as furnished by logical informants and sources. No active investigation of BALISTRIERI is being conducted during his federal income tax trial which might jeopardize the tax case.

ADMINISTRATIVE

The period of instant report predates referenced report since an informant channelizing memorandum was not available when referenced report was prepared.

Information of an administrative nature or otherwise not suitable for inclusion in the details which has already been furnished to the Bureau and in some instances also to Springfield, is not being included in instant report.

INFORMANTS

<u>Identity</u>	<u>Date Contacted</u>	<u>Contacted by</u>	
MI T-1 is MI [redacted] [redacted]	12/16/66	SA CARLYLE N. REED	
MI T-3 is MI [redacted] [redacted]	12/6/66 12/22/66 1/5/67	SA CARLYLE N. REED SA CARLYLE N. REED SA CARLYLE N. REED	b6 b7C b7D
MI T-4 is [redacted] [redacted]	11/21/66 12/16/66 1/4/67	SAs CARLYLE N. REED SA CARLYLE N. REED SA CARLYLE N. REED	

MI 94-316

Information Not Included in Details
of Report for Protection of Informant

On 12/6/66, MI T-3 furnished the following information:

As noted in previous reports submitted concerning instant subject, MI T-3 reported concerning [redacted]

[redacted] FRANK BALISTRIERI,

Milwaukee family boss [redacted]

[redacted] Informant had identified [redacted]

On 12/6/66 informant advised that JOHN AIELLO has been sick and also has been out of town trying to sell aluminum siding [redacted]

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On or about 11/24/66 informant was [redacted]

[redacted] FRANK BALISTRIERI. Informant said [redacted]

[redacted] The informant said that he [redacted]

On 12/6/66, MI T-3 also advised as follows:

On the night of [redacted]

[redacted] was friendly toward informant

b7D

MI 94-316

[REDACTED]
[REDACTED] Informant said this could be [REDACTED]

b7D

[REDACTED] FRANK's income tax trial had been postponed to 3/1/67 and that FRANK was worried because his attorney, MAURICE WALSH, had a heart attack and FRANK feels that WALSH is the man who can win his case for him.

Informant pointed out that [REDACTED]

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On 12/22/66, MI T-3 advised that the Milwaukee LCN family was apparently quiet with little or no activity [REDACTED]

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On 1/5/67, MI T-3 advised that some of the members of the Milwaukee LCN family and their hoodlum associates [REDACTED]

[REDACTED] FRANK
BALISTRERI and his brother PETER [REDACTED]

b7D

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee

Report of: SA CARLYLE N. REED
Date: January 19, 1967

Office: Milwaukee

Field Office File #: MI 94-316

Bureau File #: 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: Subject's federal income tax trial, SDI at Springfield, Illinois recessed until 3/1/67, due to heart attack of subject's principal counsel, MAURICE WALSH. Any motions for suppression to be submitted and considered prior to resumption of trial. An informant states subject, from all indications, is the boss (La Cosa Nostra) in Milwaukee. Information concerning subject's nightclub operations set out. JOHN RIZZO, gambler-hoodlum from the Racine-Kenosha, Wisconsin area, now working for subject at The Scene.

- P -

DETAILS:Federal Income Tax Trial

On December 1, 1966, information was received by the FBI, Springfield, that MAURICE WALSH, principal defense counsel for FRANK BALISTRIERI in his current federal income tax trial, Southern District of Illinois at Springfield, had suffered a heart attack resulting in an indefinite postponement of BALISTRIERI's trial.

On December 7, 1966, it was determined that on December 5, 1966 a hearing was held concerning BALISTRIERI's case with result that by January 16, 1967 a notice was to be submitted to the court and the government regarding any

MI 94-316

motions for suppression by the defense. In addition, the date of February 1, 1967 was set for the hearing for any motions to suppress prior to resumption of the trial on March 1, 1967 at 10:00 a.m.

La Cosa Nostra (LCN)

On December 16, 1966, MI T-4 advised that there is no question in his mind that FRANK BALISTRIERI is the boss of the outfit (LCN) in Milwaukee, based upon this informant's gleanings of information from as many contacts and acquaintances in the Italian hoodlum element in Milwaukee, Wisconsin. At this time this informant also said that as far as the Milwaukee outfit and FRANK BALISTRIERI are concerned, things seem to be quiet and informant has heard nothing of significance of late.

Subject's Milwaukee Nightclub Operations

On November 21, 1966, MI T-4 advised that he has heard from usually reliable sources that when FRANK SINATRA, JR. appeared as the featured entertainer at The Scene, a FRANK BALISTRIERI nightclub, SINATRA, JR. was paid \$1,000 per night.

On December 16, 1966, MI T-1 furnished the following information:

JOHN RIZZO, a Racine-Kenosha, Wisconsin area hoodlum, has been coming to Milwaukee quite regularly of late and is doing some work for FRANK BALISTRIERI, apparently assisting in the operation of one or more of BALISTRIERI's downtown Milwaukee nightclubs. Informant was not certain but made the observation that this might have been occasioned by the fact that BALISTRIERI has had to spend a lot of his time since October, 1966 at his federal income tax trial in Springfield, Illinois, and during his absence some of his nightclubs have apparently not been doing as well as he thought they should.

On December 6, 1966, MI T-3 advised as follows regarding JOHN RIZZO, identified above: RIZZO of late has been making quite frequent and regular visits to The Scene where he is in contact with FRANK BALISTRIERI when the latter is around.

MI 94-316

Miscellaneous

On January 4, 1967, MI T-4 advised that he had heard nothing recently of pertinence regarding FRANK BALISTRIERI.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Milwaukee, Wisconsin
January 19, 1967

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA CARLYLE N. REED dated
 and captioned as above at Milwaukee,
 Wisconsin.

All sources (except any listed below) whose identities
are concealed in referenced communication have furnished reliable
information in the past.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Milwaukee, Wisconsin
January 19, 1967

FRANK PETER BALISTRERI
ANTI-RACKETEERING

The following is a characterization of informants utilized in the report of SA CARLYLE N. REED at Milwaukee, dated and captioned as above:

MI T-1 is a legitimate individual who comes in contact with hoodlums in Milwaukee.

MI T-3 is a hoodlum.

MI T-4 is a legitimate businessman who comes in contact with hoodlums.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

F B I

Date: 1/17/67

Transmit the following in _____
(Type in plaintext or code)Via
AIRTEL

AIR MAIL REGISTERED

(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS, DIVISION 9
 and CRIME RECORDS DIVISION

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
 AR

ReMI-airtel 1/13/67.

Enclosed for Substantive Desk at the Bureau and for Crime Records are copies of clipping from "Milwaukee Journal" newspaper of 1/16/67 edition, Part II, Page 1, re hearing held 1/16/67 by Committee on Judiciary-Legislation of Milwaukee City Council re proposed wiretapping ordinance. It is noted that same local officials who have on previous occasions pushed for adoption of this ordinance again made comments favoring such adoption. It is also noted that Alderman [redacted] and Chief of Police HAROLD A. BREIER, Milwaukee PD, who attended the hearing, spoke in favor of the Council delaying action on the ordinance pending action by Federal Govt. According to the clipping, action on the ordinance has again been deferred. D

On 1/17/67 former SA (retired) ALEXANDER P. LE GRAND advised SA CARLYLE N. REED that as an Administrative Assistant to Mayor MAIER of the City of Milwaukee, one of his duties is to follow and analyze proposed city ordinances and other types of local legislation. He said he has been closely following the hearing re the ordinance banning wiretapping and electronic surveillances in Milwaukee. In this capacity he has had personal contacts with Alderman [redacted] who initiated this proposed ordinance and pointed out to [redacted] that it was "idiotic and presumptuous" for the City of Milwaukee to pass such an ordinance at this time and that the subject matter at present is one which is of primary concern on a Federal and state level rather than a city level. LE GRAND stated that in feeling the pulse of the aldermen, it is his opinion that the majority of them are not anxious about [redacted].

③ Bureau (cc: Crime Records) (encls.-2) 1 d d AM RM — 27
 1-Milwaukee
 PHF:mk

(4)

Approved: *PAK* Sent _____ M Per _____

6 FEB 2 1967 Special Agent in Charge

CLOSURE

CR 2012-101

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b7cb6
b7cb6
b7c

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

this time to pass such an ordinance, would prefer to wait to see what action, if any, is taken at a higher political level, i.e., state or Federal, within the meantime the matter of the local ordinance being postponed as to any further action on it.

LE GRAND also pointed out that he has directly stated to Alderman [redacted] that in his, LE GRAND's, opinion the author of the ordinance was DOMINIC FRINZI who is an ardent backer of this piece of local legislation. [redacted] according to LE GRAND, denies that FRINZI drew up the ordinance. Re Alderman [redacted] it is noteworthy that [redacted] have on several occasions over the past year or so pointed out that [redacted] frequents the downtown Milwaukee night clubs operated by FRANK PETER BALISTRIERI where, in effect, he receives the red carpet treatment and has been observed on a number of occasions with BALISTRIERI at those night spots. These informants are convinced that through this association BALISTRIERI has [redacted] under his influence, particularly in matters pertaining to local licensing such as liquor and restaurant permits. LE GRAND stated if there were any significant developments in above mentioned proposed ordinance, he would certainly inform this office.

It should be noted that DOMINIC FRINZI, a Milwaukee attorney, who has represented a number of hoodlums in the past, became vitally interested in this type of legislation after it was disclosed in the income tax trial of FRANK PETER BALISTRIERI that FRINZI's office was "bugged" by the FBI. This, of course, is a matter of public record. FRINZI is also an unsuccessful candidate for the gubernatorial nomination on Democratic ticket in the last two state elections.

The Bureau will be kept advised of any further pertinent developments.

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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b7D

(Mount Clipping in Space Below)

Breier Says His Department Doesn't Use Bugging Devices

Police Chief Harold A. Breier said Monday that a proposed ordinance prohibiting wire tapping and electronic eavesdropping would not affect police work here because his department did not use wire tapping or bugging devices.

Breier made the comment at a meeting of the common council's judiciary committee. The committee voted 5 to 0 to hold the proposed ordinance in committee for further study.

Last week Breier urged the council to delay action. In a letter to the committee, the chief said that since the federal government had indicated it would act in the field, "it seems feasible to wait."

Backs Some Listening

At that time, Breier said: "It would seem advisable to permit listening to a conversation through available standard installations, as an extension line or two parties on the same hand set, where one of the parties gives voluntary consent."

He argued that this would expedite developing evidence and would not necessarily be an invasion of privacy.

Since Breier's letter, the proposed ordinance has been amended to eliminate some of its inconsistencies.

Breier said that if such a law were enacted it should be done by the state. The proposed ordinance drew strong support from Atty. Dominic Frinzi, Fred Erchul, secretary-treasurer of the Milwaukee County Labor council and a representative of the Communications Workers of America.

Frinzi Blasts Bugging

Frinzi, who said his office had been bugged by the FBI, complained that he was "a victim of this dirty business of the government."

He said that the FBI admitted tapping his office but indicated that it did not get any information relating to court evidence. He said he did not see how law enforcement could

be impaired by enactment of the ordinance.

Erchul told the committee that the labor council supported the ordinance. He said wiretapping and bugging of private conversations were frightening intrusions on privacy.

Erchul said that employers had used electronic devices to check on employee and union activities and that the labor council opposed "these encroachments on human dignity."

James Gaynor, government services manager for the Wisconsin Telephone Co., said the firm did not object to an ordinance, providing it would not

prevent the telephone company from constructing, maintaining and repairing its equipment.

He said the company did object to a provision in the ordinance which would prohibit telephone company employees from divulging any information overheard during the performance of their duties.

Ald. Mark W. Ryan, who introduced the ordinance, asked for its immediate adoption.

However, Ald. Rod Lanser moved that it be held in committee. Lanser's motion, for which Ryan voted, took precedence. Ryan admitted that everyone had not had sufficient time to study the ordinance.

Lanser said that the council should not take any law enforcement tools away from the police. He said the country was in less danger of becoming a police state than a criminal state.

He said he wondered whether the council would favor Ryan's ordinance if use of surveillance devices would result in the arrest of "a vicious child killer" one month earlier.

(Indicate page, name of newspaper, city and state.)

PART II, PAGE I
THE MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN

Date: 1/16/67
Edition: LATEST
Author:
Editor: RICHARD H. LEONARD
Title: WIRETAPPING MATTERS

Character:

or

Classification: 139-
Submitting Office: MILWAUKEE

 Being Investigated

93-3116-478
ENCLOSURE

F B I

Date: 1/27/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS,
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

Re MI-airtel to Bureau 12/28/66.

AUSA JAMES B. BRENNAN, EDW, Milwaukee, advised 1/27/67 that M. EUGENE BAKER, Circuit Judge, Kenosha County, Wis., will hold an evidentiary hearing at 1:30 a.m. 2/13/67 in Kenosha, Wis. in case of State of Wisconsin, plaintiff, vs. WILLIAM COVELLI, Defendant, on "Motion to Disclose and Produce Evidence" and "Affidavit" previously filed on behalf of defendant by his attorney DOMINIC H. ERINZI. Judge BAKER requested witnesses who have previously been subpoenaed will be expected to be in court when hearing is held.

Arrangements have been made with USA BRENNAN for SA [redacted]
[redacted] to be accompanied by a member of his staff on 2/13/67
with instructions to invoke executive privilege should the
necessity arise.

Developments in this matter will be closely followed and Bureau will be kept advised.

REC-15 93-3116 - 479

EX-115

JAH-30 1967

3-Bureau AM RM
1-Milwaukee
JEO:mek
(4)

Approved: EEB Sent M Per
Special Agent in Charge

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: February 2, 1967

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

The Director has inquired as to the dates of and the authorization for the electronic surveillance on the office of Dominic Frinzi, a hoodlum-connected Milwaukee attorney.

This is to advise that the electronic surveillance on Frinzi was installed April 22, 1963, and discontinued on October 2, 1963.

This microphone was installed on Frinzi, based on reports he was closely associated with prominent hoodlum leaders in the Milwaukee area, including Frank Balistrieri. According to our information, Frinzi was closely allied with leading Milwaukee hoodlums and was consulted by them for legal advice.

In addition to the fact that Frinzi's office was a meeting place for hoodlums, the installation was made for the further purpose of developing information in connection with the murder of Wisconsin juke-box operator Anthony J. Biernat, which occurred in January, 1963. Biernat was allegedly killed by hoodlums in connection with an effort to move into the juke box and pinball industries in Illinois and Wisconsin. Former Attorney General Robert Kennedy requested the Bureau to investigate the killing of Biernat.

The installation was made under the general authority granted by former Attorneys General to the Bureau for this type of coverage. The specific document from Bureau files authorizing the placement of this microphone is attached for information.

ACTION:

REC-75

92-3116 480

Submitted pursuant to the Director's inquiry.

ENCLOSURE
Enc.

- ✓
1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

6 FEB 11 1967
(5)

UNRECORDED COPY FILED IN 92-6805-

FBI

Date: 2/4/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL
(Priority)

TO: DIRECTOR, FBI (92-3116)
ATTENTION SECTION CHIEF, THOMAS J. MC ANDREWS,
DIVISION 9

FROM: SAC, MILWAUKEE (94-316)

SUBJECT: FRANK PETER BALISTRIERI, aka
AR

OO: Milwaukee

Enclosed herewith for the Bureau are two Xerox copies of a newspaper article appearing in the February 4, 1967, edition of the Milwaukee SENTINEL, a newspaper of general circulation, published daily in Milwaukee, Wisconsin.

Prior communications to the Bureau in this matter related that the Federal income tax trial was to recommence in Springfield, Illinois on March 1, 1967. According to the enclosed article the case will resume in Springfield before Federal Judge OMAR T. POOS at 10:00 a.m., March 6, 1967.

The Bureau will be kept advised of all developments in this matter.

3 - Bureau (92-~~316~~^{ENCLOSURE}) (Enc. 2) (RM)
2 - Milwaukee (94-316)
JEO:duz
(5)

Approved: Sent M Per

Special Agent in Charge

70 FEB 14 1907

(Mount Clipping in Space Below)

Balistrieri's
Tax Trial to
Resume Mar. 6

The income tax evasion trial of Frank P. Balistrieri will be resumed at 10 a.m. Mar. 6 in Springfield, Ill., before Federal Judge Order Poos, attorneys were notified Friday.

The jury trial recessed Dec. 11 after Balistrieri's attorney, Maurice J. Walsh, 60, of Chicago, suffered a mild heart attack and was hospitalized. The trial started Oct. 17.

Balistrieri, 48, of 3043 N. Shepard av., a night club operator, was indicted by a federal grand jury here on charges of tax evasion and conspiracy to defraud the government.

(Indicate page, name of newspaper, city and state.)

PART 2, PAGE 18
MILWAUKEE SENTINEL
MILWAUKEE, WISCONSIN

Date: 2/4/67
 Edition: FINAL
 Author:
 Editor: HARRY SONNEBORN
 Title: FRANK BALISTRIERI
 AR

Character:

or

Classification:

Submitting Office: MILWAUKEE

 Being Investigated

CLOSURE

92-3116-468

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: February 1, 1967

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

Reference is made to the prosecution of Milwaukee hoodlum, Frank Peter Balistrieri, which is scheduled to resume March 1, 1967, following a postponement due to a heart attack of one of the defense counsel. Defense counsel for Balistrieri has requested information in connection with the electronic surveillance of a hoodlum-connected Milwaukee attorney who is one of the defense counsel of record for Balistrieri. The two specific points the Department has inquired about in connection with this request are (1) The identity of all persons who participated in the monitoring of Frinzi's office and (2) A record of the use of pen registers or pulse recording equipment in connection with the surveillance.

Milwaukee has advised that the surveillance of: Frinzi's office was monitored by former Special Agent John A. Holtzman (retired) and Special Agents [redacted] and Special Employee [redacted] all presently assigned to the Milwaukee Office. There was no pen register or pulse recording equipment used in connection with the Frinzi surveillance.

REC-35

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b7c

Milwaukee has also received information indirectly from [redacted] Wisconsin State Attorney, to the effect that Frinzi is contemplating filing civil suits against Special Agent [redacted] and former Special Agent Holtzman for their alleged activity in connection with the electronic surveillance conducted at his office. There has been no confirmation of this and the Department has not indicated that any information has been received by it concerning any such reported suits. Department previously advised of such reports in our memorandum November 28, 1966.

UNTEC COPY FILED IN 6

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b7c

Milwaukee is being instructed to follow this phase of the matter very closely and to keep the Bureau as well

Enc. sent 2-2-67

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

CONTINUED - OVER

FEB 13 1967 MARY J. H. GALE TO
JGL:tjm

(5) 33 DeLoach 2-2-67 JBL:jm

COPY ~~sent~~ TO MR. TOLSON

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

as the United States Attorney and Departmental attorneys fully advised of any further information received in this regard.

ACTION:

There is attached an appropriate letter responding to the Department's request and furnishing the two items of information, referred to above.

JHL ✓
See memo
2/2/67

There is a complete dearth
of dates in this memo.
When was the lawyer's
office electronically sur-
veilled by our agent who
authorized it?

JHL ✓
OK

F B I

Date: January 30, 1967

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL - REGISTERED

(Priority)

JUNE

Mr. Tolson
 Mr. DeLoach
 Mr. Mohr
 Mr. Wick
 Mr. Casper
 Mr. Callahan
 Mr. Conrad
 Mr. Felt
 Mr. Gale
 Mr. Rosen
 Mr. Sullivan
 Mr. Tavel
 Mr. Trotter
 Tele. Room
 Miss Holmes
 Miss Gandy

TO : DIRECTOR, FBI (92-3116) (Attn. T. J. McAndrews, Division 8)

FROM: SAC, MILWAUKEE (66-950)

FRANK PETER BALISTRIERI

AR

Re Milwaukee Airtel to Bureau 1-27-67, and Milwaukee telephone call to Bureau 1-30-67.

Enclosed herewith for the Bureau are two Xerox copies of a letter addressed to [REDACTED] AUSA, EDW, Milwaukee, from [REDACTED] Milwaukee Attorney who is an attorney of record representing FRANK PETER BALISTRIERI in the latter's Federal Income Tax trial, Springfield, Ill.

[REDACTED] furnished a copy of Attorney [REDACTED] letter to SA [REDACTED] [REDACTED] on 1-30-67, and stated to SA [REDACTED] that the USA, EDW, Milwaukee, has brought the letter to the attention of the Department's Tax Division in Washington, and has further advised Attorney [REDACTED] that the answers to the questions he is seeking will have to be made by the Tax Division of the U. S. Dept. of Justice, Washington, D.C.

For the ready reference of the Bureau, the answers to questions 1 through 6 raised by Attorney [REDACTED] in his letter to [REDACTED] are being set forth as follows:

- 1) The following Bureau personnel participated in monitoring the DOMINIC FRINZI source [REDACTED] JOHN A. HOLTZMAN - retired SA presently residing Peoria, Ill.; SAs [REDACTED] and [REDACTED] and SE [REDACTED] all presently assigned Milwaukee.

cc - D. Wick
It should be noted that write-ups of information from [REDACTED] were made on a daily basis, and these pages were initialed by former SA HOLTZMAN, retired. Although not shown on this record, SA [REDACTED] and SE [REDACTED] typed the daily summary sheets from the tape recordings, said tapes having been destroyed.

3 - Bureau (Air Mail - EX 108 Registered) (Enc. 2)
1 - Milwaukee (66-950)REC 24 92-3116-483
11 FEB 1967JEO:mcs
(4)
APR 1967

Approved

Special Agent in Charge

Sent _____ Per _____

b6
b7Cb6
b7Cb6
b7Cb6
b7Cb6
b7C

UNRECORDED

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)Airtel to Director (92-3116)
MI 66-950
1-30-67NO TAPES OR RECORDINGS
IN THIS SOURCE PER
ASAC LEVETT
5/31/68, AAS

Page 2

- 2) The Department and the Bureau have previously been furnished with all summaries obtained from the FRINZI source. There is no additional information that has not been previously furnished.
- 3) Re microphone surveillance of [redacted] identified as [redacted] As the Bureau has previously been informed, all tapes and logs of this coverage were destroyed shortly after discontinuance of this operation. Former SA JOHN A. HOLTZMAN, SA ALBERT B. KNICKREHM (presently assigned Division 5, SOG) and SAs [redacted] and [redacted] are recalled as having monitored this source. There were never any 302's prepared as a result of monitoring.
- b6 b7C b7E
- 4) As the Bureau is aware, the field does not maintain "equipment utilization logs." During the period of time that highly confidential sources were being employed by the Bureau, the following procedures were in effect in the field pertaining to electronic surveillance equipment:

b7E

[redacted] Every piece of technical equipment in the Milwaukee Office could be accounted for at any time under the above system.

As the Bureau is further aware, during 1965 all technical equipment dealing with microphone installations and surveillances was recalled from the field, and all such equipment was subsequently deleted from field office technical inventory records.

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

Airtel to Director (92-3116)
MI 66-950
1-30-67

Page 3

- 5) The Milwaukee office never utilized pen registers or pulse recording equipment in connection with FRANK PETER BALISTRERI, [redacted] or DOMINIC FRINZI.
- 6) Highly confidential sources were authorized to the FBI by the Attorney General of the United States.

For additional information of the Bureau, [redacted] State attorney prosecuting WILLIAM COVELLI in State Circuit Court, Kenosha, Wis., in recent conversation with SAC, Milwaukee, advised that DOMINIC FRINZI, Attorney representing COVELLI in the State case, advised he is contemplating filing civil suits against former SA JOHN A. HOLTZMAN and SA [redacted] for their alleged activity in connection with the electronic surveillance conducted at his office. [redacted] further stated that FRINZI did not elaborate on the statement, and does not know if FRINZI will take any positive action in this regard, or not.

The Bureau will be kept advised of any information coming to the attention of the Milwaukee office concerning BALISTRERI, [redacted] or DOMINIC FRINZI.

b6
b7Cb6
b7Cb6
b7C

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

SHELLOW, SHELLOW & COFFEY

ATTORNEYS AT LAW

JAMES M. SHELLOW
GILDA B. SHELLOW
WILLIAM M. COFFEY

311 METROPOLITAN BLOCK
1012 NORTH THIRD STREET
MILWAUKEE, WISCONSIN 53203
PHONE 271-8538

January 25, 1967

[REDACTED] Esq.
First Assistant United States
Attorney
Federal Building
515 East Wisconsin Avenue
Milwaukee, Wisconsin

RECEIVED

b6
b7C

JAN 26 1967

United States Attorney
Eastern District of Wisconsin

Re: United States v. Balistreri

Dear [REDACTED]

b6
b7C

We have reviewed the testimony and exhibits concerning the electronic eavesdropping in the above case. In order to determine the extent to which information obtained by these means was imparted to persons investigating the income tax case, it is necessary that we have the following information:

1. The names of all persons who participated in the monitoring of Attorney Dominic Frinzi's office.

2. The summaries of the Frinzi monitoring for the dates which are missing in the original tender.

3. The summaries of the monitoring of [REDACTED] the 302's of this monitoring; the names of persons who participated in this monitoring.

b6
b7C

4. The equipment utilization log of the Federal Bureau of Investigation for the period February 15, 1961 through June 30, 1965, showing when and where eavesdropping equipment was utilized in connection with this case.

5. A record of the use of pen register or pulse recording equipment in connection with this case.

6. The authorization to the Federal Bureau of Investigation for the use of the monitoring equipment.

cc: The Honorable Omer Poos
Maurice Walsh, Esq.
Mr. Frank Balistreri

b6
b7C

ENCLOSURE

12-3116-483

EX-108

The Acting Attorney General

REC 21 Director, FBI

UNITED STATES v. FRANK PETER BALISTRIERI

February 2, 1967

1 - Mr. DeLoach

1 - Mr. Gale

1 - Mr. McAndrews

1 - Mr. Leggett

Reference is made to the memorandum of January 30, 1967, from [redacted] Acting Assistant Attorney General, Tax Division, file 5-85-2146, in the captioned matter, requesting information as to the identity of persons who participated in the monitoring of Attorney Dominic Frinzi's office and as to the use of pen registers or pulse recording equipment in connection with this surveillance.

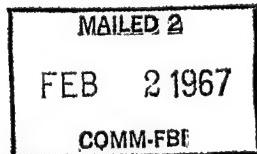
This is to advise that former Special Agent John A. Holtzman, retired, of Peoria, Illinois, Special Agents [redacted] and Special Employee [redacted] all presently assigned to our Milwaukee Office, participated in monitoring the electronic surveillance of Attorney Frinzi's office.

There was no utilization of pen registers or pulse recording equipment in connection with the Frinzi surveillance.

This is furnished for your information in response to the inquiry of Mr. Roberts.

1 - The Deputy Attorney General

1 - [redacted]
Acting Assistant Attorney General



NOTE: See memo J.H.Gale to DeLoach, 2/1/67, captioned "Frank Peter Balistrieri, AR," JGL:tjm

JGL:tjm
(9)

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

1 1967
MAIL ROOM TELETYPE UNIT

b6
b7C

FEB 2 9 1967

REC'D-READING ROOM

b6
b7C

RECORDED COPY INDEXED SERIALIZED FILED

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation

DATE: JAN 30 1967

FROM : [REDACTED]
Acting Assistant Attorney General
Tax Division

5-85-2146

b6
b7C

SUBJECT: Re: United States v. Frank Peter Balistreri

Attached is a copy of a letter forwarded to us by the United States Attorney for the Eastern District of Wisconsin from [REDACTED] who is one of the above-named defendant's attorneys. The United States Attorney would like us to confirm for him that the names of the monitors of the Frinzi office (Item 1 in [REDACTED] letter) have been supplied and that there was no pen register or pulse recording equipment (Item 5) employed in connection with this case.

b6
b7C

Would you please advise us concerning these two items? The United States Attorney feels that the other items are adequately covered in the record already made in the suppression hearing.

D

Attachment

EXP. PROC.

EX-108

36

FEB 1 1967

REC'D

97-3116-484

D FEB 14 1967

MEMO J. H. Gobek filed 2-1-67
Let to Acting AD 2-2-67
J. H. Gobek

COPY ~~SENT~~ TO MR. TOLSON

UNRECORDED COPY FILED IN 61-316

FBI

Date: 2/9/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL

(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS,
DIVISION 9 and
CRIME RECORDS DIVISION

FROM: SAC, MILWAUKEE (94-316)

SUBJECT: FRANK PETER BALISTRERI
AR

REC 11

ReMI-airtel 1/17/67 advising of hearings being held by Committee on Judiciary-Legislation of Milwaukee City Council concerning proposed wiretapping ordinance for Milwaukee. It is noted DOMINIC H. FRINZI, member of Defense Council staff in current BALISTRIERI income tax trial in Springfield, Ill., has been primary vocal force behind proposed ordinance.

Enclosed for Bureau's information are clippings from Part I, Page 14, of "Milwaukee Journal" newspaper 2/8/67 edition, and Part I, Page 3 "Milwaukee Sentinel" newspaper 2/9/67 edition, re appearance of FRINZI at Wisconsin state legislative hearings to support a state statute re wiretapping. FRINZI, according to information appearing in clippings, rehashed the same comments, accusations and arguments which he has publicized previously, referring to FBI in connection with his support of wiretapping ordinances and legislation.

While attending meeting of Executive Committee of Wisconsin Chiefs of Police Assn. at Madison, Wis. 2/8/67, SAC was provided with copies of Senate Bill 57, introduced 1/27/67 by Senator SCHREIBER to prohibit wiretapping. Two copies of the bill were furnished by Chief of Police WILLIAM EMERY, Madison, who heads the Legislative Committee of the Chiefs Assn. and who appeared at the state legislative hearing 2/8/67 to oppose the state wiretapping bill and to offer amendments which would lessen its restrictive effect on law enforcement agencies. REC-11

Developments re above mentioned proposed ordinance and state legislation will be followed and Bureau will be kept advised.

(4) Bureau (encls. -4) *WVA*
2-Milwaukee
PHF:mk (6)
Approved *BK* **61 MAR 6 1967**
Special Agent in Charge

Sent _____ M Per _____

(Mount Clipping in Space Below)

Frinzi Proposes Eavesdrop Ban

Madison, Wis. — AP — Dominic Frinzi, twice a candidate for the Democratic nomination for governor, pleaded passionately Wednesday for passage of a senate bill to outlaw electronic eavesdropping.

He told a hearing, "I come here as a victim of this dirty business."

Frinzi cited court admissions by the federal bureau of investigation that it had bugged his Milwaukee office for six months. He said, "Somebody has got to be taught a lesson that they cannot invade these sacred rights."

The attorney urged the state judiciary committee to recommend passage of a bill to forbid wire tapping, bugging and similar forms of unauthorized electronic surveillance. The committee delayed action on the measure until another session set tentatively for Thursday.

Frinzi accused the Wisconsin Telephone Co. of co-operation with the FBI in placing the bug in his office. The FBI earlier admitted in federal court in Springfield, Ill., that it had tapped his office while Frinzi was defending a client charged with income tax evasion.

"If we are going to do what the police state wants us to do,

we might as well scrap the constitution and have a bonfire right out here on the capital square," Frinzi told the state senators.

Madison Police Chief Wilbur Emery, speaking for fellow law enforcement officials, said the bill "would prohibit the police from obtaining necessary information to convict lawbreakers."

Emery said lawbreakers should not be exempt from modern detection methods. He asked for an exception in the law to allow electronic surveillance with court approval, much in the same manner a search warrant is obtained.

~~Milwaukee Atty. William J.~~ Mulligan, appearing for the Wisconsin Telephone Co., said the utility did not violate the law in the Frinzi case and did not perform any actual bugging itself.

Mulligan said the telephone firm "has zealously championed for years the right of privacy in communications." He backed passage of the bill, but suggested a long list of exemptions to permit various types of checks on the lines by telephone personnel.

Seven persons testified for the

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 3
MILWAUKEE SENTINEL
MILWAUKEE, WISCONSIN

Date: 2/9/67
Edition: FINAL

Author: HARRY SONNEBORN
Editor: ~~WIRETAPPING~~
Title: ACTIVITIES

Character:

or

Classification: ~~SECRET~~
Submitting Office: MILWAUKEE

Being Investigated

100-10000

93 - 316- 4851

(Mount Clipping in Space Below)

Ban on Wire Tapping Supported in Hearing

Journal Madison Bureau
Madison, Wis.—A bill to prohibit wire tapping and other forms of electronic eavesdropping got strong support Wednesday at a hearing of the senate judiciary committee.

Six persons, including Dominic H. Frinzi, whose law office had been bugged by the FBI, spoke for the bill. Three, including Wilbur Emery, Madison police chief, either opposed it or suggested some changes.

"I came here as a victim of this dirty business, as Justice Holmes called wire tapping and eavesdropping," Frinzi said.

He said the FBI with the help of the telephone company had conducted an electric surveillance of his law office for six months in connection with his role in a tax case against Frank Balistreri, Milwaukee night club operator.

"It could happen to you," Frinzi told the committee. He charged that the FBI had "committed trespass and burglary of my office" in conducting the surveillance.

He cited FBI records of the activity, indicating that time and again "nothing pertinent" had been discovered.

"If we do what the police state wants us to do we might as well scrap our constitution and burn it out there in the middle of Capitol square," Frinzi said.

He contended that the eavesdropping was a "felony under Wisconsin law and I'm waiting for that district attorney in Milwaukee to wake up and prosecute the law."

The bill provides for a \$500 fine for violations or up to 90

days in jail if the forfeiture is not paid.

Frinzi urged a two year prison sentence and a \$5,000 fine.

Others who supported the bill included George Haberman, former president of the state AFL-CIO; Edward V. Peil, Wisconsin director of the Communication Workers of America; Arlen Christensen, assistant attorney general; Sen. Martin Schreiber (D-Milwaukee), who introduced the bill, and Milwaukee Ald. Mark Ryan.

Christensen said the attorney general's office was generally in favor of the bill, but he too believed that the penalties ought to be increased to get at criminal elements using wire tapping and eavesdropping.

He pointed out that the bill provided no imprisonment except for nonpayment. "To criminals that's just another cost of doing business," he said.

He also suggested that one exception in the bill be narrowed or dropped. That provision would exempt fire departments checking on false alarms and police departments checking on objectionable telephone calls.

Christensen said there was no law now that prohibited the use of eavesdropping devices. Court use of evidence obtained by the devices is prohibited, he said.

William J. Mulligan, Milwaukee, representing the Wisconsin Telephone Co., suggested a number of amendments.

He said they would permit tracing obscene telephone calls, and catching people who fraudulently use credit cards for telephone calls.

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 14
THE MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN

Date: 2/8/67
Edition: LATEST
Author:
Editor: RICHARD H. LEONARD
Title: WIRETAPPING ACTIVITIES

Character:

or

Classification:

Submitting Office: MILWAUKEE

 Being Investigated

cc sent Bureau
ENCLOSURE

2/8/67 - 316-485

2

SENATE BILL 57

LRB ~ 1129
GL:kC:1

January 27, 1967 - Introduced by Senator SCHREIBER. Referred to
Committee on Judiciary.

~~S. # 57~~

1 AN ACT to create 885.37 of the statutes, relating to wire tapping and
2 other forms of electronic eavesdropping and providing penalties.

3

4 Analysis by the Legislative Reference Bureau

5 The bill proposes to make unlawful:

6 1. Intercepting or attempting to intercept or conspiring to intercept
7 wire communications without consent or permission of the sender and
8 receiver thereof or divulging or disclosing to any person communications
9 so obtained without the consent or permission of the sender or receiver
10 of the communication; 2. Wilfully and by means of any instrument listening
11 to, overhearing or recording a communication so obtained or causing,
12 aiding, authorizing, employing, procuring or permitting another to do so
13 without consent of the parties to such conversation; and 3. Trespassing
14 on the property of another for the purposes of placing any instrument
15 thereon for the purpose of covert electronic surveillance; and for any
16 violation prescribes a forfeiture of not more than \$500 and not more than 90
17 days imprisonment in case of failure to pay the forfeiture. Fire departments
18 in detecting persons making false alarms and police departments
19 in detecting persons making nefarious telephone calls are excepted.
20 Each instance of a violation is deemed a separate violation.

21

22 The people of the state of Wisconsin, represented in senate and
23 assembly, do enact as follows:

24 885.37 of the statutes is created to read:

25 885.37 WIRE TAPPING AND OTHER FORMS OF ELECTRONIC
26 EAVESDROPPING WRONGFUL. (1) Definitions. As used in this section:

92-316-485

ENCLOSURE

3

1 (a) "Person" means any individual, partnership, corporation, muni-
2 cipal corporation, association or combine including the subscriber to any
3 telephone or telegraph service or the telephone or telegraph service itself.

4 (b) "Instrument" means any device, contrivance, machine or appara-
5 tus, or part thereof, designed or used for accoustical detection, including
6 but not limited to wire-tapping equipment, microphones, parabolic
7 microphones, detectaphones, spike mikes, dictaphones, radio transmitters
8 and recorders.

9 (c) "Common carrier" means any person engaged as a common
10 carrier for hire in intrastate, interstate or foreign communication by
11 wire or radio, or in intrastate, interstate or foreign radio transmission
12 of energy.

13 (2) Intercepting wire communication without consent prohibited;
14 forfeiture. Any person who intercepts, attempts to intercept, procures
15 any person to intercept or attempt to intercept, or conspires with or aids
16 any other person to intercept or attempt to intercept any wire communica-
17 tion without the express consent and permission of both the sender and the
18 receiver thereof, or any person who divulges or discloses to any other
19 person the contents of any wire communication if the person divulging or
20 disclosing that information knows that such information was obtained
21 through the interception of a wire communication by any person without
22 the express consent and permission of both the sender and receiver thereof,
23 shall forfeit not more than \$500 plus cost of prosecution, and in default of
24 payment thereof the violator shall be imprisoned until such fine is paid,
25 but such imprisonment shall not exceed 90 days..

26 (3) Listening to, recording, aiding or procuring intercepted wire
27 communications wrongful; forfeiture. Any person not physically present
28 at or an intended and invited party to any conversation or discussion who
29 wilfully and by means of any instrument listens to, overhears or records
30 such conversation or discussion, or causes, aids, authorizes, employs,
31 procures or permits another to do so without the express consent of all of

1 the parties to the conversation or discussion, shall forfeit not more than
2 \$500 plus cost of prosecution for each offense, and in default of payment
3 thereof the violator shall be imprisoned until such fine is paid, but such
4 imprisonment shall not exceed 90 days.

5 (4) Exceptions. The prohibitions of subs. (2) and (3) shall not apply
6 to fire departments or law enforcement agencies to determine violations
7 under s. 941.13 (1) or s. 947.01 (2); nor shall such prohibitions apply to
8 services provided by a common carrier pursuant to its tariffs on file
9 with the public service commission of Wisconsin or the federal communi-
10 cations commission, nor to any officer, agent or employe of a common
11 carrier who performs the acts otherwise prohibited by this ordinance in
12 the construction, maintenance, repair and operations of the common
13 carrier's communication services, facilities or equipment, or incident to
14 the use of such services, facilities or equipment as long as the information
15 obtained thereby is used only and strictly by the hearer for such respective
16 purposes and is not divulged to any other person in any manner.

17 (5) Trespass for electronic surveillance; forfeiture. Any person
18 who wilfully commits a trespass on the property of another for the
19 purposes of inserting or depositing thereon any instrument for the pur-
20 pose of covering electronic surveillance shall forfeit not more than \$500
21 plus cost of prosecution, and in default of payment thereof the violator
22 shall be imprisoned until such fine is paid, but such imprisonment shall
23 not exceed 90 days.

24 (6) Acts of violation separate offenses. Each instance of intercep-
25 tion, attempts at interception, procurement for interception, divulgence,
26 disclosure or trespass shall for the purposes of this section constitute a
27 separate and distinct offense.

28

29

(End)

30

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 2/20/67	INVESTIGATIVE PERIOD 12/22/66 - 2/16/67
TITLE OF CASE FRANK PETER BALISTRIERI, aka		REPORT MADE BY SA CARLYLE N. REED	TYPED BY els
		CHARACTER OF CASE ANTI-RACKETEERING	

REFERENCES

Report of SA CARLYLE N. REED, Milwaukee dated 1/19/67,
Milwaukee teletype to Bureau dated 2/13/67.

- P -

ENCLOSURES

To the Bureau: Two copies of a letterhead memorandum characterizing informants utilized in this report.

To Springfield: Two copies of the above-described memorandum.

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE:			
(3) - Bureau (92-3116) (Encls 2) (Registered Mail)			
1 - USA, Milwaukee			
2 - Springfield (92-209) (Encls 2) (Registered Mail)			
2 - Milwaukee (94-316)			
		92-3116-486	REG-A
		[REDACTED]	EX-102
		FEB 23 1967	
		[REDACTED]	

Dissemination Record of Attached Report				Notations
Agency	CC.	AAG, Criminal Division,		NONE
Request Recd.				- A -
Date Fwd.	Organized	Crime and Racketeering		COVER
How Fwd.	CB			STAT. SEC'D
By	Section	Room 2524		

MI 94-316

LEADS

SPRINGFIELD DIVISION

At Springfield, Illinois

Will report results of subject's Federal Income Tax trial scheduled to resume 3/6/67, SDI, at Springfield.

MILWAUKEE DIVISION

At Milwaukee, Wisconsin

Will continue to follow and report activities of subject as furnished by logical informants and sources. No active investigation of BALISTRIERI is being conducted during his Federal Income Tax trial which might jeopardize the tax case.

ADMINISTRATIVE

The period of instant report predates referenced report since an informant channelizing memorandum was not available when referenced report was prepared.

Information of an administrative nature or otherwise not suitable for inclusion in the details which has already been furnished to the Bureau is not being included in instant report.

INFORMANT INFORMATION
NOT INCLUDED IN DETAILS
OF REPORT

The following information is not included in the details of this report to avoid compromise of informants.

On December 22, 1966 MIT-3 advised as follows: FRANK BALISTRIERI does not seem to be as worried as he was when his Attorney, MAURICE WALSH, first had his heart attack, causing a postponement of BALISTRIERI's income tax trial to March, 1967. BALISTRIERI was disappointed at the delay in the trial, which is in turn delaying his plans for operation of his various legitimate and illegitimate enterprises in Milwaukee.

MI 94-316

Because of the pending income tax trial,
BALISTRIERI and the Milwaukee LCN Family, of which he
is the Boss, are quiet. Informant had no information
that the Milwaukee Family [redacted]

b7D

Regarding local political ties of FRANK
BALISTRIERI with Milwaukee Aldermen [redacted] and
[redacted] on December 22, 1966 MI T-3 cited
the following [redacted]

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[redacted] (phonetic) obtained a

b7D

[redacted]
[redacted]

b7D

On January 17, 1967 MI T-3 advised that the
Milwaukee LCN Family continues to be very quiet because
of FRANK BALISTRIERI's pending Federal Income Tax trial.

On February 14, 1967 MI T-3 advised: [redacted]

[redacted]

b7D

MI 94-316

Informant continues [redacted]

b7D

[redacted] outcome of BALISTRIERI's Federal Income Tax trial is determined. At this time informant again pointed out that the Milwaukee Outfit (LCN) is at a standstill because of BALISTRIERI's tax trial.

On February 8, 1967 MI T-9 furnished the following:

[redacted]
[redacted]

b7D

MI 94-816

INFORMANTS

<u>IDENTITY</u>	<u>DATE CONTACTED</u>	<u>CONTACTED BY</u>	
MI T-1 is [redacted] [redacted]	1/12/67 2/8/67	SA CARLYLE N. REED SA CARLYLE N. REED	b6 b7C b7D
MI T-2 is [redacted] [redacted]	1/30/67 2/9/67	SAs CARLYLE N. REED & [redacted] SA CARLYLE N. REED	b6 b7C b7D
MI T-3 is [redacted] [redacted]	12/22/66 1/17/67 2/14/67	SA CARLYLE N. REED SA CARLYLE N. REED SAs CARLYLE N. REED & [redacted]	b6 b7C b7D
MI T-4 is [redacted] [redacted]	2/7/67	SA CARLYLE N. REED	
MI T-5 is [redacted] [redacted]	2/7/67	SAs [redacted]	b6 b7C b7D
MI T-9 is [redacted] [redacted]	2/8/67	SA CARLYLE N. REED.	

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - USA, Milwaukee

Report of: SA CARLYLE N. REED **Office:** Milwaukee
Date: February 20, 1967

Field Office File #: MI 94-316 **Bureau File #:** 92-3116

Title: FRANK PETER BALISTRIERI.

Character: ANTI-BACKETEERING

Synopsis: FRANK BALISTRIERI's Federal Income Tax trial scheduled to resume 3/6/67, SDI at Springfield, Illinois. A source states trial costing BALISTRIERI \$1500 per day for each day at Springfield and that he must be receiving funds to defray costs from outside sources, possibly Chicago, Illinois. Informants state that BALISTRIERI continues to sanction horse race booking operation in Milwaukee. He allegedly has ties with several Milwaukee, Wisconsin City Aldermen. BALISTRIERI continues to operate his several downtown Milwaukee nightclubs with varying degrees of financial success. JOHN RIZZO and WILLIAM COVELLI, gambler - hoodlum of Racine, Kenosha area, working at The Scene for BALISTRIERI. Ill-feeling reportedly continues between BALISTRIERI and old-time organization members in Milwaukee.

- P -

DETAILS: Federal Income Tax Trial

According to the most recently available information concerning resumption of FRANK BALISTRIERI's income tax trial at Springfield, Southern District of Illinois, (SDI) the trial is scheduled to resume on March 6, 1967.

Deleted Copy Sent Frank Babitski
by Letter 8/19/76, jmc
Per FOIA Request

481

On January 17, 1967 MI T-3 advised that AUGUST
"Gus" CHIAVEROTTI

b7D

CHIAVEROTTI is available for testimony as a witness for FRANK BALISTRERI in his income tax trial in connection with matters relating to the Para Corporation, a defunct company, which is of concern in the tax case. Informant pointed out that obviously CHIAVEROTTI's testimony, if used, would be entirely favorable for BALISTRERI's defense.

On February 14, 1967 MI T-3 furnished the following information: It is rumored that every day that FRANK BALISTRERI spends in Springfield, Illinois while his tax trial is in progress, it is costing him \$1500 per day for expenses and attorney fees. This informant made the observation that in view of the extended period of this trial it would seem that BALISTRERI is not in a financial position to pay out this kind of money on his own, and that he must be getting help from the outside such as the Outfit Boss in Chicago, Illinois, and in this regard made specific mention of FELIX "Milwaukee Phil" ALDERISIO, well known Chicago hoodlum and close associate of BALISTRERI, as a possible source of such funds to defray trial costs and related expenses.

Booking Operations

On February 7, 1967 MI T-3 advised as follows: Regarding horse race booking operations in Milwaukee, informant was of the opinion that such an operation is still being sanctioned by FRANK BALISTRERI through "The Office", in the past operated by SAM and TONY CEFALU. Informant did not know the location of "The Office". This source pointed out that at one time CEFALUS were getting a daily line on the horses from Chicago or possibly Detroit through [redacted] Informant pointed out that [redacted] is reportedly out of town and that the CEFALUS are probably handling the line at present. Informant said that if this operation is sanctioned by FRANK BALISTRERI it means that he is getting a cut on such an operation.

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MI 94-316

POLITICAL TIES

On December 22, 1966 MI T-3 furnished the following information:

Just prior to the Christmas Holidays in December, 1966 FRANK BALISTRIERI, Milwaukee City Aldermen [redacted] and TONY MACCHI, former operator of the Sportsmen's Bar, were at The Scene together. The Scene is one of BALISTRIERI's Milwaukee nightclub - restaurant operations. The informant was not aware of the reason for these individuals being together at this lunch time. Informant noted a possibility that this might be indicative of political graft on the part of Alderman [redacted]. In this regard informant said that Milwaukee Aldermen [redacted] [redacted] (phonetic), an Alderman from the west side of Milwaukee, are all on close terms with FRANK BALISTRIERI and frequent BALISTRIERI's nightclubs.

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FRANK BALISTRIERI's
NIGHTCLUB OPERATIONS

On January 12, 1967 MI T-1 advised as follows: Over the recent Holidays BALISTRIERI's night club, The Scene, was making money and the Ad Lib lost money with very little patronage of the later place. Le Bistro was in the process of being re-decorated and has been closed for several weeks.

JOHN RIZZO and WILLIAM "Weaser" COVELLI of Racine and Kenosha Wisconsin, respectively are both working for FRANK BALISTRIERI in overseer capacities at BALISTRIERI's nightclubs with most of their time being spent at The Scene. This informant subsequently learned that a nightclub operation in Kenosha known as La Strada was recently closed because of a fire. RIZZO and COVELLI were part of the operations of that place and because of it being inoperative, they apparently had the time to commute to Milwaukee to help FRANK BALISTRIERI and his nightclub operations. MI T-3 has identified RIZZO and COVELLI as hoodlum - gamblers.

MI 94-316

MI T-1 also advised on January 12, 1967 that FRANK STELLOH was still employed by FRANK BALISTRERI as supervisor of the custodial force for BALISTRERI's nightclubs. MI T-3 has identified FRANK STELLOH as an ex-convict, hoodlum and strong-arm man. On January 17, 1967 MI T-3 advised that JOHN RIZZO and WILLIAM "Weasor" COVELLI are both on FRANK BALISTRERI's payroll at The Scene.

On January 30, 1967 MI T-2 furnished the following: Le Bistro re-opened on January 26, 1967 with the introduction of strippers as regular entertainment there. These entertainers usually stay at the Wisconsin Hotel. Since bringing in strippers, Le Bistro has been doing a good business. There are four to five girl entertainers who perform with recorded music rather than a live band.

On February 9, 1967 MI T-2 advised that FRANK BALISTRERI's Milwaukee nightclubs of late were not all doing a good business and one or two of these clubs was possibly losing money at that time.

On February 8, 1967 MI T-1 advised:

FRANK BALISTRERI is frequently visited in the afternoons at The Scene. The identity of this visiting individual was not known to this informant; however, based upon description furnished by informant, this individual may be identical with JOE CAMINITI, Secretary - Treasurer of Teamsters Local No. 257, Milwaukee, Wisconsin. DOMINIC FRINZI and other members of his law firm frequently have lunch at The Scene.

[redacted] a Milwaukee City Alderman frequents the Ad Lib.

FRANK BALISTRERI allegedly gave each of his four children \$5,000 to be invested in a recording company to be formed.

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MI 94-316

[redacted]
continues to work in that capacity and sometimes stills cover charge tickets and occasionally picks up money from the vending machines at BALISTRERI's nightclubs.

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MISCELLANEOUS

On February 7, 1987 MI T-4 advised that there are rumors of a continuing feud in the Milwaukee Outfit or organization headed by FRANK BALISTRERI.

It was informant's understanding that old-time organization members resent the FRANK BALISTRERI regime.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Milwaukee, Wisconsin
February 20, 1967

*In Reply, Please Refer to
File No.*

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING
Reference Report of SA CARLYLE N. REED dated
and captioned as above at Milwaukee,
Wisconsin.

All sources (except any listed below) whose identities are concealed in referenced communication have furnished reliable information in the past.

Insufficient contact has been had with MI T-8 to be able to evaluate the reliability of this source.



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Milwaukee, Wisconsin
February 20, 1967

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

The following is a characterization of informants utilized in the report of SA CARLYLE N. REED at Milwaukee, dated and captioned as above:

MI T-1 is a legitimate individual who comes in contact with hoodlums in Milwaukee.

MI T-2 is a hoodlum.

MI T-3 is a hoodlum.

MI T-4 is a legitimate businessman who comes in contact with hoodlums.

MI T-8 is a gambler - hoodlum.

MI T-9 is legitimately employed and is in a position to come in contact with hoodlums.

"This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency."

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI (92-3116)

FROM : SAC, SPRINGFIELD (92-209) P.

DATE: 2/24/67

SUBJECT: FRANK PETER BALISTRIERI,
Aka
ANTI-RACKETEERING
(cc)
(OO: Milwaukee)

Re report of SA CARLYLE N. REED at Milwaukee,
dated 1/19/67 and Springfield letter to Bureau, dated
12/7/66.

On February 7, 1967, the USA's Office, Springfield,
Illinois, advised that the suppression hearing which was set
for February 1, 1967 was not held and the trial date
is now set for 10:00 A.M. March 6, 1967.

Milwaukee will be kept advised of any further
developments.

2 - Bureau (92-3116)
2 - Milwaukee (94-316)
2 - Springfield (92-209)

JTG:SJS
(6)

Cr

EX 101

REG-12

92-3116-487

FEB 27 1967



51 MAR 2 1967



Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

2/24/67

Airtel

To: SAC, Milwaukee
From: Director, FBI
FRANK PETER DALISTRIERI
AR

Re your airtel 2/9/67 and your letter 2/16/67, furnishing copies of Senate Bill 57 and Assembly Bill 176 introduced in the current Wisconsin State Legislature relative to wiretapping and electronic surveillances.

You should offer no comment to any outside agency concerning these bills and in the event any inquiry is received, you should make absolutely no comment concerning them.

You should discreetly follow this matter and keep the Bureau fully advised of all pertinent developments.

JGL:tjm
(4)

REC-56

92-3116-488

— — —
FEB 24 1967

SEARCHED
INDEXED
SERIALIZED
FILED
OCCAM FILE

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Sandy _____

NOTE: See memo J.H. Gale to DeLoach, same caption, 2/24/67, JGL:tjm

MAIL ROOM TELETYPE UNIT

UNITED STATES GOVERNMENT

Memorandum

TO : Director, FBI (92-3116)

DATE: 2/16/67

FROM : SAC, Milwaukee (94-316)

Attn: T. J. MC ANDREWS, DIVISION 9
CRIME RECORDS DIVISION

SUBJECT:

FRANK PETER BALISTRIERI
AR

ReMI-airtel 2/9/67 enclosing copies of State Senate Bill 57,
introduced 1/27/67, to prohibit wiretapping in Wisconsin.

Enclosed for Bureau's further information are 2 copies of
Amendment to Senate Bill 57 made available 2/13/67
to SRA ELDON J. MUELLER, Madison RA, by [redacted]
[redacted] Wisconsin Legislative Reference Library,
Madison, Wis.

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Also enclosed are 2 copies of Assembly Bill 176 which was
introduced 2/9/67 relating to prohibiting wiretapping and
electronic eavesdropping, except by FBI, pursuant to order
of Supreme Court, and providing a penalty.

Foregoing material is furnished for information of Bureau
and Bureau will be advised re further developments in
this regard.

7a
ENCLOSURE
ENCLOSURE ATTACHED
REC-7
X-114
92-3116-489
3-Bureau (encls.-4) end det fm 1529
2-Milwaukee (94-316 cc: 139-42)
PHF:mk
(5)

10 FEB 20 1967

EXP. PROC.
30 FEB 20 1967

encls. 1529
5 MAY 24 1967

57 MAR 1967

Bus CPS Savings Bonds Regularly on the Payroll Savings Plan



5010-108-01

UNRECORDED COPY FILED 62-12115

1967

STATE OF WISCONSIN

H.R.
ASSEMBLY BILL 176

LRB-88
AMS:jt:5

February 9, 1967 - Introduced by Assemblymen G.K. ANDERSON, SHABAZ,
HELD and SCHWEFEL. Referred to Committee on Judiciary.

1 AN ACT to create 942.06 of the statutes, relating to prohibiting wire
2 tapping and electronic eavesdropping except by the FBI pursuant to
3 order of the supreme court and providing a penalty.

4 Analysis by the Legislative Reference Bureau

5 This measure outlaws wire tapping and electronic eavesdropping
6 and imposes a fine of \$5,000 or 5 years imprisonment or both for a
7 violation. It also provides that in the interest of national security the
8 attorney general and the U.S. district attorney (who must have a written
9 request from the U.S. attorney general) can petition the state supreme
10 court for permission to exempt the FBI from the provisions of this bill
11 in a specific matter or in regard to specific persons at specific places
12 and for a definite period not to exceed 30 days.

12 The people of the state of Wisconsin, represented in senate and
13 assembly, do enact as follows:

14 942.06 of the statutes is created to read:

15 942.06 WIRE TAPPING AND ELECTRONIC EAVESDROPPING. (1)
16 Whoever does either of the following may be fined not more than \$5,000
17 or imprisoned not more than 5 years or both:

18 (a) Obtains statements or conversation of another without his knowl-
19 edge or consent by intercepting or listening in on a telephone conversation
20 with the use of voice recording equipment for recording of telephone con-

92-3116-189

versations or of any other electrical or mechanical device or instrumentality designed and adapted for use in intercepting and recording or listening in on telephone conversations.

(b) Obtains statements or conversation of another without his knowledge or consent by the use of electronic listening devices or recording devices or both.

7 (c) Has in his possession with intent to violate sub. (1) (a) any voice
8 recording equipment for intercepting and recording telephone conversa-
9 tions or any other electrical or mechanical device or instrumentality de-
10 signed and adapted for use in intercepting and recording or listening in
11 on telephone conversations.

12 (2) In the interest of national security the attorney general and the
13 U.S. district attorney who shall have a written request from the attorney
14 general of the U.S., may jointly petition the state supreme court for
15 permission for the federal bureau of investigation to be exempt from
16 this section in a specific matter or in regard to specific persons, at spe-
17 cific places and for a definite period not to exceed 30 days.

(End)

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AMENDMENT TO SENATE BILL 57

The provisions of this Bill shall not apply to any peace officer who receives from a judge of a court of record an ex parte order to employ use of electronic listening devices. Such order shall be based upon presentation to such judge of a sworn affidavit or of oral testimony showing reasonable grounds to believe that a crime has been, is now, or may be committed, and the employment of electronic listening devices would materially assist in the obtaining of evidence of such crime. In connection with the issuance of such order, the judge may examine on oath the applicant and shall satisfy himself of the existence of reasonable grounds for the granting of such order. Any such order shall be effective for the time specified therein but not for a period more than two months unless extended or renewed by the judge who signed and issued the original order. The electronic listening device shall be described together with the type of communication to be intercepted and the medium of communication, and particularly describing the person or persons whose communications are to be intercepted and the purpose thereof. The complete results of such surveillance shall be impounded with the court issuing the order within 72 hours after the end of the surveillance as specified in the order. If such surveillance results in the issuance of a warrant or arrest, the person arrested shall

upon application to the court where impounded have the results of such surveillance made available for examination.

All police and fire departments are to be permitted to monitor and record their own telephonic communications through the use of electronic listening devices without court approval.

91-3776-489

2-24-67

AIRTEL

To: SAC, Milwaukee
From: Director, FBI
FRANK PETER BALISTRIERI
ANTI-RACKETEERING

ReBuphone call 2-24-67.

Attached for your information are copies of letters to USA James B. Brennan from [redacted] Acting Attorney General and Assistant Attorney General, Tax Division, Mitchell Rogovin, both dated 2-24-67.

In accordance with previous instructions, you should contact USA Brennan for the purpose of working out details of the affidavit to be submitted by SA [redacted] in the Covelli perjury case. You should follow all aspects of this matter very closely and promptly advise the Bureau of the reaction of USA Brennan and Judge Baker to this situation.

Enc. (4)

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MAILED 3

FEB 24 1967

COMM-FBI

REC'D 101

JGL:msm
REC-9

92-311-490

ED FEB 27 1967

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

JGL:msm
(4) *[initials]*

59MAR 8 1967

MAIL ROOM TELETYPE UNIT

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: February 14, 1967

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Nichols _____
Casper _____
Callahan _____
Conrad _____
Felt _____
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Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

The Director has inquired as to the details of the microphone installation involved in the appearance in local court of an Agent of the Milwaukee Office in connection with a local perjury prosecution wherein defense attorney Dominic H. Frinzi is trying to have the case dismissed because the Bureau had a microphone on his office.

The microphone in question was installed on Bureau authority by Milwaukee April 22, 1963, on the office of Milwaukee attorney Dominic H. Frinzi. The installation was discontinued on October 2, 1963. It was made on the basis of reports that Frinzi was closely associated with prominent hoodlum leaders in the Milwaukee area, including La Cosa Nostra leader Frank Balistreri and that Frinzi's office was used as a meeting place for these leaders.

A further purpose in making this installation was to develop information in connection with the murder of Anthony J. Biernat, a Wisconsin juke-box operator who was killed in gangland fashion in January, 1963, which matter was investigated by the Bureau.

The file copy of the airtel authorizing the placement of this microphone is attached for information.

ACTION:

Submitted pursuant to the Director's inquiry.

Enc.

- 1 - Mr. DeLoach
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

JGL:tjm
(5)

51 MAR 6 1967

10 FEB 27 1967

✓ EX-1886 REC-1 JH
JH 700 192-3116ds 491
nm

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

FEB 13 1967 *Chy*

TELETYPE

FBI WASH DC

FBI MILWAUK

1016PM URGENT 2/13/67 PJR

~~TO DIRECTOR ATTN: T.J. MC ANDREWS AND ATTN: CRIME
RECORDS DIVISION~~

FROM MILWAUKEE (94-316) 3P
FRANK PETER BALISTRIERI, AR. *ANTI RACKETEERING*

RE MILWAUKEE AIRTEL TO BUREAU, TWO THIRTEEN SIXTYSEVEN
AND MILWAUKEE TEL CALL TO BUREAU, TWO THIRTEEN SIXTYSEVEN.

AT ONE THIRTY PM, TWO THIRTEEN SIXTYSEVEN SA [REDACTED]

[REDACTED] ACCOMPANIED BY AUSA [REDACTED] EDW,

MILWAUKEE, APPEARED IN KENOSHA COUNTY, WISCONSIN STATE
COURT BEFORE HONORABLE EUGENE BAKER, IN HONORING A SUBPOENA
PREVIOUSLY ISSUED IN THE STATE OF WISCONSIN VS. WILLIAM
COVELLI MOTION TO SUPPRESS EVIDENCE IN A PERJURY AND
FALSE SWEARING CASE BEFORE THE COURT. SA [REDACTED] WAS

REC 33

CALLED TO THE STAND BY DEFENSE ATTORNEY DOMINIC H. FRINZI

Ass't U.S. ATTORNEY
AT WHICH TIME AUSA [REDACTED] APPROACHED THE BENCH AND INVOKED

EXECUTIVE PRIVILEGE (EXECUTIVE ORDER THREE TWO FOUR- SIX FOUR) MAR 1 1967
ENCLOSURE PRECLUDING TESTIMONY ON BEHALF OF SA [REDACTED] AT THIS POINT

DEFENSE COUNSEL FRINZI ADVISED THE COURT THAT THE EXECUTIVE

END PAGE ONE

MR. DELOACH FOR THE DIRECTOR

Mr. Tolson	✓
Mr. DeLoach	
Mr. Mohr	
Mr. Wick	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Felt	
Mr. Gale	
Mr. Rosen	
Mr. Sullivan	
Mr. Tavel	
Mr. Trotter	
Tele. Room	
Miss Holmes	
Miss Gandy	

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PAGE TWO

PRIVILEGE DOES NOT INCLUDE SAS OF FBI BUT IS RESERVED FOR EXECUTIVE MEMBERS OF THE FEDERAL GOVERNMENT AND MEMBERS OF THE CABINET. JUDGE BAKER ACKNOWLEDGED IN COURT HE WAS NOT FULLY AWARE OF THE PROVISIONS OF EXECUTIVE PRIVILEGE AND ORDERED DEFENSE COUNSEL FRINZI TO PREPARE A BRIEF WITHIN TEN DAYS CITING LEGAL DECISIONS WHERE FBI SAS WERE EXCLUDED FROM TAKING EXECUTIVE PRIVILEGE. AT THE SAME TIME JUDGE BAKER ORDERED AUSA [REDACTED] TO PRODUCE A LETTER FROM ATTORNEY GENERAL OF U.S. WHICH LETTER PRECLUDES SA [REDACTED] TESTIMONY IN THIS PARTICULAR MATTER. JUDGE BAKER FURTHER SET A TRIAL DATE IN HIS COURT FOR NINE THIRTY AM FOUR THREE SIXTYSEVEN AND FURTHER HELD SA [REDACTED] IN CONTEMPT OF COURT. JUDGE BAKER ADVISED THAT HE WOULD NOT RULE AT THIS TIME ON THE CONTEMPT CHARGES AGAINST SA [REDACTED] BUT WOULD DEFER THIS DECISION PENDING HIS OPPORTUNITY TO REVIEW THE BRIEFS REQUESTED BY HIM OF DEFENSE ATTORNEY FRINZI AND AUSA [REDACTED] ASST U.S. ATTORNEY

END PAGE TWO

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PAGE THREE

JUDGE BAKER STATED IN COURT THAT SHOULD HE FIND SA [REDACTED]
CANNOT TAKE EXECUTIVE PRIVILEGE, HE WOULD EXPECT SA [REDACTED]
TO APPEAR IN COURT FOUR THREE SIXTYSEVEN AND TO BE FULLY
PREPARED TO TESTIFY IN THE COVELLI TRIAL. IN REGARD TO THE
LOCAL COURT REQUEST FOR LETTER FROM ATTORNEY GENERAL OF U.S.
INVOKING EXECUTIVE PRIVILEGE RE TESTIMONY OF SA [REDACTED]
U.S. ATTORNEY
IT IS NOTED USA JAMES B. BRENNAN ADVISED SAC, MILWAUKEE,
TWO THIRTEEN SIXTYSEVEN, THAT HE WOULD TAKE APPROPRIATE
ACTION TO OBTAIN THE NECESSARY LETTER FROM ATTORNEY GENERAL
IN THIS REGARD.

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b7c

BUREAU WILL BE KEPT ADVISED OF FURTHER DEVELOPMENTS.

END

LRA

FBI WASH DC

TU

cc - Monroe Gale, Wick & McAndrews

SPECIAL INVESTIGATIVE DIVISION

2/14/67

As result of disclosures of microphone coverage made by Department in tax case, attorney for Milwaukee hoodium Covelli has subpoenaed Bureau Agent to testify concerning this coverage in local perjury case. United States Attorney invoked Executive Privilege and court deferred decision for ten days to allow filing of briefs on question of Executive Privilege and to permit Attorney General to send letter specifically invoking Executive Privilege on behalf of Agent. United States Attorney will obtain letter from Attorney General in this regard.

What are details
of the microphone
McA: digivita system? You
Q don't say whether
priv installed it.
#

97-316-492
ENCLOSURE

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
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 Tele. Room _____
 Holmes _____
 Gandy _____

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AIRGRAM CABLEGRAM RADIO TELETYPE

10:25 PM URGENT 2-27-67 PJR

TO DIRECTOR

42-3116

FROM MILWAUKEE 280130

JUNE.

ATTENTION SECTION CHIEF THOMAS J. MC ANDREWS, DIVISION 9.

FRANK PETER BALISTRIERI, AR. MI FILE 66-950.

RE BUAIRTEL TO MILWAUKEE FEBRUARY 24, 1967 AND MILWAUKEE
TEL CALL TO BUREAU FEBRUARY 27, 1967.

ON FEBRUARY 27, 1967 SA [REDACTED] EXECUTED AFFIDAVIT 10
BEFORE USA JAMES B. BRENNAN, EDW, MILWAUKEE THAT CONTAINS THE
FOLLOWING POINTS. NUMBER ONE THAT SA [REDACTED] IS KNOWLEDGEABLE
CONCERNING AN ELECTRONIC SURVEILLANCE OF THE LAW OFFICE OF
DOMINIC FRINZI AT 161 WEST WISCONSIN AVENUE, MILWAUKEE FROM
APRIL 22, 1963 TO OCTOBER 2, 1963 AND NUMBER TWO THAT SA [REDACTED]
DID NOT OVERHEAR FRINZI IN CONVERSATION WITH WILLIAM COVELLI,
NOR DID HE OVERHEAR ANY CONVERSATION RESULTING FROM THE ABOVE
REFERRED TO SURVEILLANCE, CONCERNING WILLIAM COVELLI.

b6
b7c

62

UNRECORDED COPY FILED IN

Domenick H. Hobbs
DeLoach 2-27-67
JES/JF

EX-113

REC 20

92-3116-493

13 MAR 2 1967

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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 280130

AFFIDAVIT WAS FULLY DISCUSSED WITH USA BRENNAN BY SAC MILWAUKEE AND IT WAS OPINION OF USA BRENNAN THAT ONLY THE TWO POINTS SETFORTH IN THE LETTER OF FEBRUARY 23, 1967 FROM ACTING AG [REDACTED]

TO USA BRENNAN SHOULD BE CONTAINED IN THE AFFIDAVIT, NAMELY

NUMBER ONE WHETHER SA [REDACTED] EVER OVERHEARD FRINZI IN CONVERSATION WITH THE DEFENDANT OR ANYONE DISCUSS THE COVELLI CASE; AND TWO IF SUCH AN OVERHEARING TOOK PLACE, WHETHER HE

PASSED ON SUCH INFORMATION TO ANY OTHER PERSONS OR INVESTIGATIVE AGENCY, FEDERAL, STATE OR LOCAL. SAC, MILWAUKEE DISCUSSED WITH BRENNAN WHETHER AFFIDAVIT SHOULD COVER COMPLETE KNOWLEDGE BY

SA [REDACTED] OF ENTIRE FRINZI COVERAGE AND FACT NOTHING FROM SUCH COVERAGE DISSEMINATED, BUT BRENNAN FELT THIS WENT BEYOND DEPARTMENTS LETTER AND HE DECIDED THE SHORT VERSION MORE ACCEPTABLE.

ON FEBRUARY 27, 1967 USA BRENNAN MET WITH JUDGE BAKER IN KENOSHA, GAVE HIM SA [REDACTED] AFFIDAVIT AND FULLY EXPLAINED THE CONTENTS OF ACTING AG [REDACTED] LETTER OF FEBRUARY 23, 1967. JUDGE BAKER WAS PLEASED WITH THE ATTENTION AFFORDED HIS COURT BY THE DEPARTMENT AND THE USA, EDW, MILWAUKEE. JUDGE BAKER TOLD USA

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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE THREE 280130

BRENNAN AFTER REVIEWING AFFIDAVIT AND CONSIDERING CONTENTS OF AG LETTER THAT HE COULD SEE NO USEFUL PURPOSE IN HAVING SA [REDACTED] TESTIFY BEFORE HIS COURT IN THE FORTHCOMING COVELLI TRIAL. JUDGE [REDACTED] b6 b7C BAKER STATED HE INTENDS TO IMMEDIATELY CORRESPOND WITH ATTORNEY FRINZI EXPRESSING HIS FEELINGS CONCERNING SUCH TESTIMONY AND THAT HE DESIRES TO GET ON WITH THE COVELLI TRIAL ON ARRIL 3, 1967 WITHOUT ANY UNDUE DELAY. JUDGE BAKER FURTHER ADVISED BRENNAN THAT HE HAS NOT HEARD FROM ATTORNEY FRINZI CONCERNING THE BRIEF HE ORDERED FRINZI TO EXECUTE, WHICH BRIEF SUPPOSEDLY DOCUMENTS CASES EXCLUDING SA'S OF THE FBI FROM INVOKING EXECUTIVE PRIVILEGE UNDER EXECUTIVE ORDER 324-64.

JUDGE BAKER FURTHER ADVISED THAT SHOULD FRINZI CONTINUE TO INSIST THAT THE COURT HEAR TESTIMONY FROM SA [REDACTED] THAT HE, BAKER, WOULD RESTRICT SUCH TESTIMONY ON THE STAND TO THE TWO POINTS BROUGHT OUT IN THE AFFIDAVIT.

JUDGE BAKER STATED HE WOULD CORRESPOND WITH USA BRENNAN AND SA [REDACTED] DIRECT AFTER HE HAS RECEIVED REPLY FROM MR. FRINZI AND RULES RE NECESSITY OF SA [REDACTED] TESTIFYING.

BUREAU WILL BE KEPT ADVISED.

RECEIVED: 11:44 PM LRA

The Attorney General

March 2, 1967

Director, FBI

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

- 1 - Mr. DeLoach
- 1 - Mr. Mohr
- 1 - Mr. Callahan
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

[redacted] of the Legal Division of the Wisconsin Telephone Company has advised our Milwaukee Office that Dominic Frinzi, one of the defense attorneys for the subject in his income tax trial, has complained because the telephone company did not charge the FBI for the cost of telephone lines made available in connection with our microphone surveillances of Balistrieri, Frinzi and [redacted] of which you have previously been advised. Lines for these installations were originally furnished to our Milwaukee Office by the telephone company free of charge.

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[redacted] has advised that the telephone company has evaluated its position in this matter and is of the opinion that Wisconsin law requires equal billing of all customers for its services and has indicated that in order to comply with this requirement and to prevent any further criticism by Frinzi, it will be necessary to bill the FBI for the lines referred to above.

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The Special Agent in Charge of our Milwaukee Office has discussed this matter with United States Attorney James B. Brennan of Milwaukee for the purpose of ascertaining whether payment of the telephone charges will in any way adversely affect the current prosecution against Balistrieri or any future legal proceedings, civil or criminal, which might arise in connection with these surveillances. Mr. Brennan has indicated that he intends to take this matter up with the Department for an opinion and that he will correspond with the Department for this purpose.

REC 6

192-316-494
MAR 3 1967

It is requested that the Bureau be furnished with your views as soon as a determination has been made in this matter.

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1 - The Deputy Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

NOTE: See memo J.H. Gale to DeLoach, same caption, 3/1/67, JGL:tjm

JGL:tjm (11)

MAIL ROOM

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67 MAR 7 1967

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AIRGRAM CABLEGRAM RADIO TELETYPE

2:55 AM URGENT 2-22-67 PJR

TO DIRECTOR (92-3116)

FROM MILWAUKEE (66-950) 220445

ATTENTION: T. J. MC ANDREWS, DIVISION NINE.

J U N E .

FRANK PETER BALISTRIERI. AR.

REMAIRTEL TO BUREAU FEBRUARY 13, 1967 AND MI TEL CALL
TO BUREAU FEBRUARY 21, 1967.

AS NOTED IN REAIRTEL, KENOSHA CO. ~~EX-102~~ WISCONSIN STATE
COURT JUDGE EUGENE BAKER REQUESTED AUSA [REDACTED]
EDW, MILWAUKEE TO PRODUCE A LETTER FROM U.S. AG WHICH [REDACTED] b6
LETTER PRECLUDES TESTIMONY OF SA [REDACTED] b7C
TESTIFYING UNDER EXECUTIVE PRIVILEGE (EO 324-64) IN STATE
COURT IN WILLIAM COVELLI MOTION TO SUPPRESS EVIDENCE IN A
PERJURY AND FALSE SWEARING CASE BEFORE THE COURT.

ON FEBRUARY 21, 1967 USA JAMES B. BRENNAN ADVISED HE

MR. DELOACH FOR THE DIRECTOR

Letter Arrived 2-23-67
2-23-67
MCH: closer

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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 220445

RECEIVED INFORMATION TELEPHONICALLY FROM MR. BAREFOOT SANDERS, ASSISTANT U.S. AG, CIVIL DIVISION, WASHINGTON THAT DEPARTMENT IS NOT AGREEABLE TO FURNISHING JUDGE BAKER A LETTER PRECLUDING TESTIMONY OF SA [REDACTED] DUE TO RECENT "FULL DISCLOSURE POLICY" WHICH NOT ONLY APPLIES IN FEDERAL COURTS, BUT STATE COURTS AS WELL. SANDERS ALSO ADVISED BRENNAN THAT DEPARTMENT'S FEELINGS ARE THAT A LETTER TO JUDGE BAKER EXCLUDING TESTIMONY OF SA [REDACTED] WOULD, IN EFFECT, BE DISCLOSING TO THE COURT AS WELL AS TO DEFENSE COUNSEL THAT TRESPASS WAS IN THE SCOPE OF OPERATIONS OF FBI AND THAT DEPARTMENT FEELS SUCH DISCLOSURE TO THE COURT WOULD LAY GROUND WORK FOR CIVIL ACTION AGAINST FBI AND SA [REDACTED] FURTHER, DEPARTMENT HAS NO WAY OF DETERMINING WHAT LINE OF QUESTIONING DEFENSE COUNSEL WOULD FOLLOW WHEN SA [REDACTED] TAKES THE STAND.

USA BRENNAN STATED SANDERS ADVISED HIM HE DOES NOT WANT JUDGE BAKER TO FEEL DEPARTMENT IS IGNORING HIS REQUEST FOR ABOVE MENTIONED LETTER AND INSTRUCTED USA BRENNAN TO

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DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE THREE FROM MILWAUKEE 2204445

TELEPHONICALLY CONTACT JUDGE BAKER AND RELAY THE DEPARTMENT'S FEELINGS TO THE JUDGE. MR. SANDERS FURTHER INSTRUCTED USA BRENNAN TO FOLLOW UP HIS PHONE CALL TO JUDGE BAKER WITH A LETTER OF CONFIRMATION ALONG ABOVE LINES.

DURING EVENING OF FEBRUARY 21, 1967 USA BRENNAN ADVISED HE HAD CONTACTED JUDGE BAKER AND TOLD HIM OF DEPARTMENT'S FEELINGS IN THIS MATTER. AS A RESULT OF THIS INFORMATION SUPPLIED TO JUDGE BAKER BY USA BRENNAN THE JUDGE STATED THAT HE FEELS SA [REDACTED] NOT EXEMPT FROM TESTIFYING AND THAT ATTORNEY DOMINIC FRINZI HAS EVERY LEGAL RIGHT TO CALL SA [REDACTED] TO THE STAND IN THE COVELLI MATTER.

IT IS NOTED JUDGE BAKER'S ORDER TO AUSA TO PRODUCE U.S. AG LETTER WITHIN TEN DAYS WAS ISSUED FEBRUARY 13, 1967. USA BRENNAN IS OF OPINION THAT HIS TELEPHONE CONVERSATION WITH JUDGE BAKER ON FEBRUARY 21, 1967 FULFILLS THE REQUIREMENT OF NOTIFICATION TO THE COURT CONCERNING THE LETTER (DUE BY FEBRUARY 24, 1967) AND ASSURES THAT JUDGE BAKER FEELS LIKEWISE. USA BRENNAN IS ALSO SENDING CONFIRMATORY LETTER TO JUDGE BAKER.

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DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE FOUR FROM MILWAUKEE 220445

IT IS NOTED FRINZI ELECTRONIC COVERAGE LOGS MAKE ONLY ONE REFERENCE TO COVELLI, WHICH IN NO WAY AFFECTS OR BEARS ON OFFENSE WITH WHICH COVELLI CURRENTLY CHARGED IN STATE COURT. FRINZI KNOWS THIS AS HE HAS THE LOGS, THEREFORE HIS TOTAL EFFORT IS TO CLOUD THE ISSUE IN COVELLI CASE AND HARASS THE FBI AS HE HAS PUBLICLY INDICATED HE INTENDS TO DO AT EVERY CHANCE.

JUDGE BAKER HAS SET TRIAL DATE FOR APRIL 3, BUT NO EARLIER DATE AS YET FOR HEARING ON FRINZI'S MOTION TO SUPPRESS STATE'S PERJURY EVIDENCE. IN VIEW DEPARTMENT'S DECISION RE PRIVILEGE, ONLY ALTERNATIVE LEFT TO BUREAU APPEARS TO BE TO ALLOW TESTIMONY IF AGENT'S AFFIDAVIT RE NO PERTINENT ELECTRONIC COVERAGE INFO NOT ACCEPTABLE TO JUDGE BAKER. IT DOES NOT APPEAR UTILIZATION OF FIFTH AMENDMENT WOULD BE IN ACCORD WITH "FULL DISCLOSURE" POLICY POSITION TAKEN BY DEPARTMENT. BUREAU REQUESTED TO ADVISE WHETHER SA [REDACTED] SHOULD TESTIFY, AND IF SO, TO WHAT EXTENT BEYOND ESTABLISHING LACK OF PERTINENCE OF FRINZI COVERAGE TO COVELLI CASE.

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RECEIVED: 4:18 AM LRC

*cc - Mr. Mc Clellan
Mr. Gandy*

2/16/67

Airtel

92-3116-496

REC'D MAR 17 1967
42-3116-496

To: SAC, Milwaukee

JUNE

From: Director, FBI

FRANK PETER BALISTRIERI
AR

Re your airtel 2/13/67.

As soon as the bill for leased-line services is received from the Wisconsin Telephone Company, as mentioned in re airtel, immediately submit the same to the Bureau together with your recommendations.

JGL:tjm
(4)

NOTE: See memo J.H. Gale to DeLoach, same caption, 2/15/67, JGL:tjm

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42-3116-READING ROOM
17 18 19

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6 MAR 17 1967

MAR 13 1967

MAIL ROOM TELETYPE UNIT

EX-100 COPY MADE IN
VOUCHER-STAT. SECTION

F B I

Date:

2/13/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED MAIL,
(Priority)

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wiles
Miss Gandy
Mr. Casper
Mr. Rosen
Mr. Gale
Mr. Rosen
Mr. Johnson
Mr. Tavel
Mr. Parker
Tele. Room
Tele. Bureau
Miss Gandy

TO: DIRECTOR, FBI (92-3116) ATTN: T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

On 2/13/67 USA JAMES B. BRENNAN and AUSA [redacted] EDW, Milwaukee, Wis., advised SA [redacted] that Federal income tax trial concerning BALISTRIERI will commence before USDJ OMAR T. POOS, Springfield, Ill., 3/6/67. Both USA BRENNAN and AUSA [redacted] stated that in their opinion it will not be necessary for SAC, Milwaukee, SA [redacted] or other Bureau personnel to appear at Springfield. Both USA BRENNAN and AUSA [redacted] expressed the opinion the FBI has fully cooperated in this matter and have fully testified to all facts relating thereto. AUSA [redacted] stated, however, that Departmental tax attorney [redacted] does not always agree with the opinions of USA, EDW, Milwaukee, and he may not be of opinion that further testimony by FBI personnel is not warranted. USA BRENNAN stated, however, that he and AUSA [redacted] will both do their utmost to convince [redacted] and other interested Departmental attorneys that there could be nothing further gained on behalf of Government's case to recall SA [redacted] to the stand or to subpoena additional FBI personnel. USA BRENNAN stated that only thing that could be accomplished in further subpoena by FBI personnel and subsequent testimony would be to satisfy the harassing tactics of attorneys MAURICE WALSH and DOMINIC FRINZI.

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USA BRENNAN stated he has learned that the general health of attorney WALSH has greatly improved subsequent to his light heart attack and that he fully expects WALSH to be present and available to resume the trial in Springfield 3/6/67. USA BRENNAN stated he also learned that some time after WALSH suffered his heart attack he, WALSH, made official notification to the court in Springfield that he fully intended to represent BALISTRIERI

3-Bureau AM RM
2-Milwaukee (66-950)

(cc: File 162-777 COVELL)

JEO:mk PHF:mk
(5)

5 FEB 25 1967

Approved: PHF Sent 2-15-67 M Per
Special Agent in ChargeNOV 1964
FBI - MILWAUKEE
SECTION

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

in this matter to the conclusion of the trial and in the event that his health precluded him from so doing, he would seek a delay in proceedings from the court, stating to the court he did not desire other attorneys on record in behalf of the defense, specifically attorneys [redacted] and FRINZI, to argue the case in his absence.

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At 1:30 p.m. 2/13/67 SA [redacted] accompanied by AUSA [redacted] EDW, Milwaukee, appeared in Kenosha County, Wis. state court before Honorable EUGENE BAKER, in honoring a subpoena previously issued in the State of Wisconsin vs. WILLIAM COVELLI motion to suppress evidence in a perjury and false swearing case before the court. SA [redacted] was called to the stand by defense attorney DOMINIC H. FRINZI at which time AUSA JONES approached the bench and invoked Executive Privilege (Executive Order 324-64) precluding testimony on behalf of SA [redacted]

[redacted] At this point defense counsel FRINZI advised the court that the Executive Privilege does not include SAs of FBI but is reserved for executive members of the Federal Govt. and members of the Cabinet. Judge BAKER acknowledged in court he was not fully aware of the provisions of Executive Privilege and ordered defense counsel FRINZI to prepare a brief within 10 days citing legal decisions where FBI SAs were excluded from taking Executive Privilege. At the same time Judge BAKER ordered AUSA [redacted] to produce a letter from Attorney General of U.S. which letter precludes SA [redacted] testimony in this particular matter. Judge BAKER further set a trial date in his court for 9:30 a.m. 4/3/67 and further held SA [redacted] in contempt of court. Judge BAKER advised that he would not rule at the time on the contempt charges against SA [redacted] but would defer this decision pending his opportunity to review the briefs requested by him of defense attorney FRINZI and AUSA [redacted]. Judge BAKER stated in court that should he find SA [redacted] cannot take Executive Privilege, he would expect SA [redacted] to appear in court 4/3/67 and to be fully prepared to testify in the COVELLI trial.

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

In regard to the local court request for letter from Attorney General of U. S. invoking Executive Privilege re testimony of SA [redacted] it is noted USA JAMES B. BRENNAN advised SAC, Milwaukee, 2/13/67, that he would take appropriate action to obtain the necessary letter from Attorney General in this regard.

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In further regard to the BALISTRIERI case, it is noted [redacted] Wis. Telephone Co., contacted SAC, Milwaukee 2/13/67. [redacted] advised that the legal division of Wis. Telephone Co. has been reviewing and evaluating the position of Telephone Co. under Wis. state laws as regards Telephone Co. participation in making available leased lines to FBI in connection with electronic surveillance of BALISTRIERI, DOMINIC FRINZI [redacted] during investigation of BALISTRIERI. [redacted] stated DOMINIC FRINZI has made strong comments and accusations against Telephone Co. while testifying before the Legislative-Judicial Committee of Milwaukee City Council and also before Judiciary Committee of state legislature in past weeks where proposals for anti-bugging legislation and/or ordinance were being considered.

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[redacted] stated that FRINZI and others who are pushing for such legislation have made specific accusations that the Telephone Co. acted illegally in concert with FBI since no charges were made for telephone lines made available to FBI. Charges have also intimated that the Telephone Co. cooperated in burglary and trespass activities of FBI in connection with this matter.

According to [redacted] the Wis. state laws, as interpreted by Public Service Commission, required that the Telephone Co. may not discriminate between customers in regard to levying different charges or not levying any charge against one customer for service while making normal charges to another customer for telephone line service. Likewise, Wis. law requires that the Telephone Co. when it discovers that service has been provided in the past at lower or different charges or at no charge, the Telephone Co. must back-bill the recipient of such services for the charges. He stated

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Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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Date:

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(Priority)

MI 66-950

this matter had been most thoroughly discussed by the top officials in Wis. Telephone Co., had been referred to the A.T. & T parent corporation for their views, and had even been submitted to outside legal consideration by the firm of FOLEY, SAMMOND & LARDNER, Milwaukee, Wis. All legal and administrative consideration had concluded that, in order to comply with Wis. law, it appears necessary to present the FBI with a bill of charges for services rendered in the BALISTRIERI, FRINZI [redacted] electronic coverages. [redacted] stated the actual charges being considered are of little importance in the matter, and the Telephone Co. officials would most sincerely prefer that this action might be avoided, but there appears to be no other way to effect compliance with the law, and avoid further and more vocal public criticism of this aspect by FRINZI and associates.

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[redacted] noted that in view of the paucity of records concerning these transactions at the Telephone Co., the duration of the service in each instance was figured from the best available information appearing in the testimony which took place in the BALISTRIERI trial at Springfield, and any other recollection by Telephone Co. personnel. He stated if the dates of duration are not correct, according to FBI records, the Telephone Co. would have no objection to refiguring the amounts which have been set down as charges. He advised that the bills for services would be forwarded to FBI within the next day or so.

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As furnished by [redacted] the charge for service was based on direct mileage of leased lines involved, figured by tenths of a mile, at \$.50 per tenth per month in each of the three instances, plus an installation charge in each of the three instances of \$14.00. The charge re the three instances of leased lines made available were figured as follows:

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2559 N. Downer Ave. (BALISTRIERI), 22 tenths of a mile at \$.50 per tenth or \$11 per month from 3/1/64 to 6/30/65, 15 months and 29 days, or \$175.63, plus \$14 for installation,

-4-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

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Date:

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(Type in plaintext or code)Via _____
(Priority)

MI 66-950

a total of \$189.63. It is noted that actual inclusive dates re above coverage were 3/9/64 to 6/1/65.

Re [redacted] the charge was based on 11 tenths of a mile at \$.50 per tenth or \$5.50 per month from 8/1/61 to 6/8/62, 10 months and 7 days, or \$56.28, plus \$14 for installation, a total of \$70.28. It is noted the actual inclusive coverage dates for above coverage were 10/3/61 to 6/8/62.

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Re 161 W. Wis. Ave. (FRINZI) the charges were based on 4 tenths of a mile at \$.50 per tenth or \$2.00 per month from 4/22/63 to 8/2/63, 3 months and 10 days, or \$6.67, plus \$14 installation charges, or a total of \$20.67. It is noted the actual inclusive coverage dates for this coverage were 4/22/63 to 9/27/63. A grand total of back-billing for above 3 instances of coverage amounts to \$280.58. It will be recalled that [redacted] coverage, discussion was had with a Telephone Co. official re reserving necessary lines, but the Milwaukee Office found this method of coverage not practical, and a radio microphone setup was actually employed rather than the use of any Telephone Co. lines. During [redacted] discussion with SAC, Milwaukee, he referred to this aspect and stated that although it appeared the Telephone Co. actually not utilized in the case of [redacted] such lines apparently were reserved for FBI use, and as in all other past instances, no further discussion was had with FBI and such lines were not used for other service recipients.

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[redacted] noted that the problem which had come up concerning lack of charges made to FBI for telephone line use could certainly also apply to other similar services made available to FBI in past years. He stated, however, the only situations which have come to public notice were above mentioned 3 instances, and Telephone Co. officials had decided that for the present, at least, no charges need be made in order to satisfy Wis. statutory requirements.

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[redacted] stated the Telephone Co. regrets that this necessity for levying charges has become necessary, and reiterated comments previously made to SAC, Milwaukee, by top officials at Telephone Co. that despite disturbing developments in BALISTRERI trial

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Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

matter, the Telephone Co. would still be willing to discuss with FBI necessary assistance in the future where matters of national defense interests arise.

The Bureau is requested to give consideration to the charges which the Telephone Co. advises will be made in above regard, and to advise whether or not these charges will be paid. Bureau is likewise requested to advise whether, if the charges will be paid, they should be refigured based on what our records show are actual inclusive dates of installations involved. The itemized bills referred to above will be promptly forwarded to Bureau for consideration as soon as received.

The Bureau will be kept advised re developments in connection with BALISTRERI case and local related cases.

-6-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: February 15, 1967

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

✓ Carlson
✓ DeLoach
✓ Mohr
✓ Wick
✓ Casper
✓ Callahan
✓ Conrad
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✓ Trotter
✓ Tele. Room
✓ Holmes
✓ Gandy

Reference is made to the Federal income tax trial of Milwaukee La Cosa Nostra leader Balistreri, which began last October and was recessed in December, 1966, before completion due to a heart attack of chief defense counsel Maurice Walsh. The trial is scheduled to be resumed before United States District Judge Omar T. Poos at Springfield, Illinois, on March 6, 1967. Milwaukee has furnished the following up-to-date information concerning this trial:

The Government has previously made disclosure and our Agents have testified concerning Bureau microphone coverage in the Balistrieri case.

Both United States Attorney James B. Brennan and his assistant, [redacted] of Milwaukee, Wisconsin, who are handling the case for the Government have advised that in their opinion it will not be necessary for Bureau personnel to make further appearances at Springfield in this case. Both attorneys expressed the opinion that the FBI had completely cooperated in microphone coverage aspect and has already fully testified as to all pertinent facts in this regard. Brennan pointed out, however, Department attorney [redacted] is assisting in handling this matter and he does not know at this point full details of future strategy contemplated by [redacted]. Defense attorney Walsh has recovered from his December, 1966, heart attack and will continue as chief counsel for Balistrieri.

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In the collateral state perjury trial of William Covelli, a Milwaukee gambler, in which his attorney Dominic H. Frinzi, who is also one of the defense counsel for Balistrieri is seeking a dismissal based on the fact that the Bureau had a microphone on his office, Eugene Baker, the local state judge has set a trial date for April 3, 1967. 9A - 3116 - 407

DEC 10 6 MAR 3 1967

Special Agent [redacted] of the Milwaukee Office, who participated in the microphone installation on Frinzi's office, previously appeared in Judge Baker's court in the Covelli trial on February 13, 1967. When called to the stand, executive privilege was invoked in his behalf by a representative of the United States Attorney's office of Milwaukee. Judge Baker has ordered the filing of briefs and

b6
b7C

Enc.

55
1 MAR 9 1967 Mr. DeLoach
Mr. Gale JGL:tjm (5)

1 - Mr. McAndrews

2 - Mr. Leggett

CONTINUED - OVER

Memorandum to Mr. DeLoach
Re: Frank Peter Balistrieri

the production of a letter from the Attorney General precluding [redacted] testimony in the matter based on executive privilege. He is withholding his ruling on contempt citation of Special Agent [redacted] pending review of legal briefs. United States Attorney's office at Milwaukee is obtaining the necessary letter from the Attorney General concerning executive privilege for [redacted] and is preparing the necessary brief for the Government.

[redacted] Wisconsin Telephone Company, has advised the SAC at Milwaukee that attorney Frinzi has made allegations against the telephone company for its failure to bill the FBI for the cost of telephone lines made available in connection with the microphone surveillances of Balistrieri, Frinzi [redacted]
[redacted] (These lines were furnished to our Milwaukee Office by the telephone company free of charge.)

[redacted] says a review of the matter indicates that Wisconsin law requires equal billing of all customers and in view of this it will be necessary to present the Bureau with a bill for the leased line provided in connection with the above surveillances. He indicated the telephone company would prefer not to do this but in order to comply with the state law and to keep down further criticism by Frinzi, a bill will be made up and submitted to the Milwaukee Office within the next few days. Milwaukee has advised that the total charges will be approximately \$280 and is being instructed to promptly submit the bill together with its recommendation for payment. Appropriate airtel attached.

ACTION:

The Milwaukee Office has been instructed to follow every aspect of the Balistrieri case and the state perjury case against Covelli very closely and to keep the Bureau promptly and fully advised of all developments.

When the bill for the leased-line service is submitted by the telephone company, it will be promptly reviewed and an appropriate recommendation for payment submitted.

[Handwritten signatures and initials follow, including "OK.", "F-2", "JL", "TAC", "CAB", "JL", and initials "P.M."]

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b7C

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b6
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F B I

Date: 2/28/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED
1/2

(Priority)

TO: DIRECTOR, FBI *92-3116* ATTN: T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

ReMII-tel to Bureau 2/27/67.

Enclosed for Bureau is 1 copy of affidavit executed by SA
 on 2/27/67 before USA JAMES B. BRENNAN, EDW,
Milwaukee.

Also enclosed for Bureau is 1 Xerox of letter addressed to Mr.
DOMINIC FRINZI and Milwaukee attorneys
of record representing the State of Wisconsin vs WILLIAM COVELLI
case from Kenosha County Circuit Judge M. EUGENE BAKER, who
will hear the COVELLI case commencing 4/3/67 in Kenosha, Wis.

The Bureau will be kept advised of all subsequent information
re COVELLI matter.

3-Bureau (encls.-2) AM RM
1-Milwaukee
JEO:mk
(4)

*rec'd**REC'D 18**92-3116-498*

6 MAR 3 1967

*Spec. Mail/AM*Approved: *PAJ* Sent _____ M Per _____Special Agent in Charge
6 MAR 9 1967b6
b7C



ENCLOSURE

92-3116-498

A F F I D A V I T

[redacted] being first duly sworn on oath,
deposes and says:

1. That he is a Special Agent of the Federal Bureau of Investigation, residing at [redacted] Milwaukee, Wisconsin, and that he is knowledgeable concerning an electronic surveillance of the law office of Dominic Frinzi at 161 West Wisconsin Avenue from April 22, 1963 to October 2, 1963.
2. That he did not overhear Mr. Frinzi in conversation with Mr. William Covelli, nor did he overhear any conversation resulting from the above referred to surveillance, concerning William Covelli.

b6
b7c

[redacted]
Sworn and subscribed before me this
____ day of _____, 1967.

Notary Public, Milwaukee County
My Commission is Permanent.

498

RECEIVED

FEB 28 1967

United States Attorney
Eastern District of Wisconsin

February 27, 1967.

Mr. Dominic Frinzi, Attorney,
Milwaukee, Wisconsin.

[redacted] Attorney,
Milwaukee, Wisconsin.

Re: State vs Covelli.

Dear Counsel:

Mr. James B. Brennan, U. S. Attorney for the Eastern District of Wisconsin, and [redacted] presented themselves at my office this afternoon and left with me a letter addressed to me from Mr. Brennan and an affidavit by [redacted]. The letter advises me that the Acting Attorney General has given his approval to [redacted] testimony in my court but with the understanding (as personally set forth by Mr. Brennan) that any questioning of [redacted] would be limited to the problem raised in this Court. In other words, the sole area of testimony which the Department of Justice will permit [redacted] to engage in relates to information or lack of information relating to Mr. Covelli obtained by means of a surveillance with which Mr. Frinzi is familiar. I am assured once again by both men that Mr. Frinzi has had all of the logs kept in connection with such surveillance and that [redacted] has nothing further to add. The affidavit I referred to covers precisely that point. Following is an exact copy taken from the affidavit:

"That he [redacted] did not overhear Mr. Frinzi in conversation with Mr. William Covelli, nor did he overhear any conversation resulting from the above referred to surveillance, concerning William Covelli."

This affidavit will be made part of the file in the above entitled case as will Mr. Brennan's letter.

While I want to and intend to protect every right of Mr. Covelli under the law I do not propose to adjourn our trial date.

Respectfully yours,

H. Eugene Baker
Circuit Judge

cc: Mr. James B. Brennan,
Milwaukee, Wisconsin.
FEB-28-1967

498

The Attorney General

March 6, 1967

Director, FBI

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

1 - Mr. DeLoach
1 - Mr. Wick
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

Information has been obtained that Milwaukee attorney Dominic Frinzi advised the press in Milwaukee, Wisconsin, that he had located three sets of "live" wiretapping lines running to telephones in his office.

According to Frinzi, Bernard Spindel, notorious wiretapper had been retained by Frinzi to conduct a survey of Frinzi's office. Spindel allegedly found these "live" wiretapping lines.

An examination of Frinzi's office by representatives of the Wisconsin Telephone Company failed to reveal that any wires other than regular telephone lines ran to any telephones in Frinzi's office. Certain wires were located in the crawl space above Frinzi's office which could have been used for microphone coverage. Frinzi indicated that he intended to raise this matter in the forthcoming trial of Ballistreri. He has also indicated that he contemplated civil suit against the Wisconsin Telephone Company for invasion of his privacy and plans to appear before the Subcommittee on Administrative Practices and Procedures (Long Committee) sometime during the next two months.

As additional information is received in this connection, you will be promptly advised.

1 - The Deputy Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED

DATE 6/10/94 BY SP12-BTG/mw
346961

92-3116-

NOTE: See Gale to DeLoach memo, 3-4-67, same caption, McA:mlp

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

McA:mlp
(10)

MAILED 2
MAR 6 1967
COMM-FBI

67 MAR 8 1967

TELETYPE UNIT

REC-74

EX-16

19 MAR 8 1967

UNREC COPY FILED IN

Enclosure

92-316-500

WISCONSIN TELEPHONE COMPANY

February 10, 1967



ACCT. No.

2 - 609

Federal Bureau of Investigation
517 E. Wisconsin Av.
Milwaukee, Wisconsin

TOTAL AMOUNT DUE

24.67

PLEASE RETURN THIS PORTION OF BILL WITH YOUR PAYMENT

Private Line - talk grade channel, Location C to
517 E. Wisconsin Av. @ 2.00 per month for 4/10 Mi. @
.50 per 1/10 Mi. from April 22, 1963 to October 2, 1963
5 months and 10 days including 14.00 IC charge.

24.67

504-01 Milw.

WISCONSIN TELEPHONE COMPANY



February 10, 1967

ACCT. No.

2 - 607

Federal Bureau of Investigation
517 E. Wisconsin Av.
Milwaukee, Wisconsin

TOTAL AMOUNT DUE 189.63

PLEASE RETURN THIS PORTION OF BILL WITH YOUR PAYMENT

Private Line - talk grade channel, Location A to 517 E. Wisconsin Av. @ 11.00 per month for 22/10 Mi. @ .50 per 1/10 Mi. from March 1, 1964 to June 30, 1965 15 months and 29 days, including IC charge of 14.00	189.63
---	--------

504-01 Milw.

WISCONSIN TELEPHONE COMPANY



February 10, 1967

ACCT. No.

2 - 608

Federal Bureau of Investigation
517 E. Wisconsin Av.
Milwaukee, Wisconsin

TOTAL AMOUNT DUE

70.28

PLEASE RETURN THIS PORTION OF BILL WITH YOUR PAYMENT

Private Line - talk grade channel, Location B to
517 E. Wisconsin Av. @ 5.50 per month for 11/10 Mi.
@ .50 per 1/10 Mi. from August 1, 1961 to June 8, 1962
10 months and 7 days including IC charge of 14.00 .

70.28

504-01 Milw.

2/24/67

Airtel

REC-114 42 - 3116 500

To: SAC, Milwaukee JUNE

From: Director, FBI

FRANK PETER BALISTRIERI
AR

Re your airtels 2/13/67 and 2/20/67 concerning bills received from the Wisconsin Telephone Company for telephone lines made available for Bureau use in connection with surveillances on Balistrieri, Dominic Frinzi [redacted]

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b7C

For the Bureau's assistance in evaluating these bills for purposes of payment, it is desired that you fully discuss this matter with the U. S. Attorney at Milwaukee with reference to whether payment of the telephone charges will in any way adversely affect the current prosecution against Balistrieri or any future litigation, civil or criminal, which might arise in connection with these surveillances.

Promptly advise the Bureau of U. S. Attorney's views concerning this situation.

NOTE: In connection with our microphone surveillances of Balistrieri, Frinzi [redacted] Frinzi is defense counsel for Balistrieri, has complained because the Wisconsin Telephone Company has not charged the FBI for the use of leased lines utilized in our surveillances. These lines were made available to the Milwaukee Office by the telephone company free of charge.

b6
b7C

The telephone company feels that in order to comply with Wisconsin law which requires equal billing of all customers and in order to keep down further criticism from Frinzi, it is necessary to bill the Bureau for the above services. The total amount involved is \$284.58. While it appears we are obligated to pay these charges, Milwaukee is being instructed to fully explore all possible legal aspects with the U. S. Attorney in order to make certain that payment of these charges would not in any way adversely affect prosecution of Balistrieri or any future litigation which may involve other surveillance activities.

JGL:tjm (4)

RJ

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Tele. Room _____
MAY 24 1967 MAILED ROOM TELETYPE UNIT

F B I

Date: 2/20/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED MAIL
(Priority)

TO: DIRECTOR, FBI (92-3116) ATTN: T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

ReMI-airtel 2/13/67 which furnished Bureau information and background concerning 3 due bills which the Wisconsin Telephone Co. planned to forward to FBI, Milwaukee, containing charges for services rendered to Milwaukee FBI Office re Telephone Co. making available leased lines for use by FBI, Milwaukee, in electronic coverage of BALISTRIERI. attorney DOMINIC FRINZI, [redacted] during investigation of BALISTRIERI.

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b7C

Re-airtel 2/16/67 from Bureau requested SAC, Milwaukee, upon actual receipt of due bills to forward same to Bureau with recommendations as to payment of same by Bureau. Above mentioned 3 due bills were received in Milwaukee 2/20/67.

The bill which totalled \$70.28 as set forth in reMI-airtel remains the same as previously described. The bill for \$189.63 as set forth in reMI-airtel also remains same as previously described. The bill previously set forth in reMI-airtel as totalling \$20.67, was noted upon receipt 2/20/67 to be in a total amount of \$24.67 rather than the \$20.67 previously described. It is also noted coverage period of the bill received 2/20/67 is 4/22/63 to 10/2/63 rather than 4/22/63 to 8/2/63 as previously furnished by [redacted]

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b7C

[redacted] Attorney, Wisconsin Telephone Co. 72-3116-500 during his conversation with SAC, Milwaukee, on 2/13/67.

The differences in the length of coverage as estimated by [redacted] Telephone Co. and actual dates coverage was in effect were [redacted] pointed out to Bureau in reMI-airtel. Although such differences

3-Bureau (encls.-6) AM RM
1-Milwaukee

PHF:mk

(4)

Approved: M
Special Agent in Charge

Sent _____ M Per _____

ENCLOSURE

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

are noted, it is also noted that contacts with the Telephone Co. to effect reservation of leased lines for possible FBI use would extend the period in each instance for which the Telephone Co. concludes the FBI had control of the pertinent leased lines. No written record is available in FBI, Milwaukee files as to exact dates when leased lines would have been reserved in above instances, but this would have been in each case several weeks prior to the date the installation actually went into effect, and promptly after receipt from the Bureau of a communication authorizing survey be made concerning the particular installation.

In regard to above mentioned due bills which are enclosed herein for Bureau's consideration, the total of these bills is \$284.58. While the leased lines were never actually used by Milwaukee FBI Office in regard to [redacted] coverage, the Telephone Co. was contacted concerning availability of leased lines also in that instance, and apparently did reserve leased lines as a result of that contact even though the company was not recontacted with any advice that the leased lines would be used.

b6
b7c

In view of the fact that the Telephone Co., utilizing all legal and administrative consideration and advice available, has concluded that Wisconsin law requires charges to be made for previous leased lines when it is officially discovered that such lines were made available, SAC, Milwaukee, recommends that the Bureau pay the bills which have been received. While the periods of leased line utilized as estimated by Telephone Co. are not exactly the same as period which Milwaukee Office is aware the leased lines were actually used, it does not appear that the variances would be material, particularly considering that reservations of these leased lines would have taken place some weeks ahead of any actual use. SAC, Milwaukee, therefore, recommends that the bills be paid as they are stated, rather than any attempt at refiguring the bills to be more precise be made. An additional reason for paying the bills as stated, rather than refiguring, would be that it does not appear any useful purpose would be served at this time by

-2-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

informing Wis. Telephone Co. of the exact dates during which FBI coverage was in effect. In this regard, it is noted that Telephone Co. officials are still being called in other criminal cases, wherein testimony is elicited concerning alleged FBI electronic coverage, and furnishing the Telephone Co. exact dates would be giving them additional information concerning our operations which might be elicited during testimony in these other cases, which we should prevent on general principles.

In view of foregoing, SAC, Milwaukee, recommends (1) that the Bureau pay the 3 due bills presented by Wis. Telephone Co. and (2) that the bills be paid in amounts set forth in the due bills.

-3-

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

FBI

Date: 2/27/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: MR. T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRERI
AR

ReBu-airtel 2/24/67.

On 2/27/67 the matter of receipt of bills from Wis. Telephone Co.
re past leased line service for Milwaukee FBI Office, and
desirability of payment of these charges was fully discussed
with USA JAMES B. BRENNAN, EDW, by SAC, Milwaukee. Discussion
was with particular reference to whether payment of the telephone
charges will in any way adversely affect current prosecution
against BALISTRIERI or any future litigation, civil or criminal,
which might arise in connection with these surveillances.

After discussing the background and circumstances of the Telephone Co. forwarding above charges, USA BRENNAN was of personal feeling that the Telephone Co. could hardly, in reality, succeed in placing itself in full compliance with Wisconsin statutes by billing and receiving payment for the pertinent leased line service at this late date. USA BRENNAN did not actually reach any conclusion as to the legal implications inherent in FBI payment of the bills, but stated that it would be necessary for him to take the matter up with the Department. He advised he was corresponding with the Department promptly, furnishing them the background and would request consideration at the Department and a decision at Departmental level in regard to this matter. He advised he would promptly let SAC, Milwaukee, know when consideration of the legal aspects has been completed.

3-Bureau AM RM
1-Milwaukee
PHF:mk
(4)

1 MAR 1 1967

⁽⁴⁾
Memos 2, 4, 6, 8, 10 to 11 & Ranch

Approved: PAUL LINDNER Sent: _____ M Per: _____

65 MAR 14 1967 Special Agent in Charge

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: March 1, 1967

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

As mentioned in previous memorandum, in connection with the income tax trial of Milwaukee La Cosa Nostra leader Balistrieri, which resumes March 6, 1967, [redacted]

[redacted] Wisconsin Telephone Company, advised our Milwaukee Office that Dominic Frinzi, one of the attorneys for Balistrieri, had complained because the telephone company did not charge the FBI for the cost of telephone lines made available in connection with our microphone surveillances of Balistrieri. Frinzi [redacted]

[redacted] These lines were originally furnished to our Milwaukee Office by the telephone company free of charge.

[redacted] also mentioned that Wisconsin law requires equal billing of all customers and stated that although the telephone company was reluctant to do so, it was felt necessary, in order to comply with state laws and to prevent further criticism by Frinzi, to bill the Milwaukee Office for the lines.

lines.
Bills for these leased, totaling \$284.50 were subsequently presented on February 20, 1967, by the telephone company to our Milwaukee Office. In order to make certain that payment of these charges would not in any way adversely affect the current prosecution of Balistrieri or have a bearing on any future legal action, criminal or civil, which might arise in connection with the above surveillances, Milwaukee was instructed to discuss the matter fully with United States Attorney Brennan at Milwaukee for his legal views.

This was done and Milwaukee advised by airtel received March 1, 1967, that after considering the matter, United States Attorney Brennan had not reached any firm conclusion as to the legal implications involved in payment of the bills and said he wanted to take the question up with

Enc. sent 3-2-67
1 - Mr. DeLoach
1 - Mr. Mohr
1 - Mr. Callahan
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett

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b7c

b6
b7c

REC'D MAR 8 1967
CONTINUED - OVER

65 MAR 14 1967

Memorandum to Mr. DeLoach
Re: Frank Peter Balistreri

the Department for a final decision. He will correspond promptly with the Department, furnishing the necessary background information and requesting a decision and will advise the SAC as soon as the legal aspects of this matter have been resolved.

ACTION:

There is attached for approval a letter to the Attorney General advising that United States Attorney Brennan is referring this matter to the Department and requesting that the Bureau be furnished with the Department's views when a determination has been made in this matter.

This will be followed closely and as soon as the views of the Department and the United States Attorney are received and if there is no legal objection to payment for the leased-line service, Milwaukee will be authorized to promptly make payment to the telephone company.

P *OK* *V*
JRS *H* *MJS* *JF*
AW *AS*

FBI WASH DC

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

MAR 7 1967

TELETYPE

FBI WASH DC

FBI MILWAUK

617PM URGENT 3/7/67 PJR

TO DIRECTOR (92-3116) ATTN: T.J. MC ANDREWS, DIVISION NINE
FROM MILWAUKEE (94-316) (P) 2P
FRANK PETER BALISTRIERI, AR. OO MILWAUKEE.

RE MILWAUKEE TEL TO BUREAU THREE SEVEN INSTANT.

United States Attorney USA JAMES B. BRENNAN, EDW, MILWAUKEE ADVISED LATE PM

TODAY THAT FEDERAL INCOME TAX TRIAL OF BALISTRIERI BEING
HELD BEFORE ^{U.S. District Judge} OMER T. POOS, SPRINGFIELD, ILLINOIS PROCEEDED
TODAY WITHOUT ANY UNDUE DELAY.

TESTIMONY OF TWO IRS AGENTS WAS HEARD TODAY IN ADDITION
TO TESTIMONY OF HANDWRITING EXPERT. CROSS EXAMINATION OF
THESE ^E WITNESSES BY DEFENSE ATTORNEY MAURICE WALSH WAS BASED
ON TAX ISSUES PERTINENT TO THE TRIAL.

Assistant United States Attorney

AUSA [redacted] HAS ADVISED BRENNAN HE NOW REC 7192 - 3116-503
HAS HOPES OF COMPLETING GOVERNMENT'S CASE BY PM OF WEDNESDAY
THREE EIGHT INSTEAD OF THURSDAY THREE NINE AS PREVIOUSLY ^{16 MAR 8 1967} b6
PLANNED. b7C

[redacted] FURTHER ADVISED BRENNAN THAT IN EVENT GOVERNMENT
COMPLETES PRESENTATION OF CASE BY THREE EIGHT, USDJ POOS
END PAGE ONE

78 MAR 16 1967

Mr. Tolson	✓
Mr. DeLoach	
Mr. Mohr	
Mr. White	
Mr. Rosen	
Mr. Bishop	
Mr. Casper	
Mr. Callahan	
Mr. Conrad	
Mr. Farrel	
Mr. Foster	
Tele. Room	
Mr. H. Price	
Miss Gandy	

PAGE TWO

MAY RECESS UNTIL MONDAY, THREE THIRTEEN SINCE DEFENSE
WITNESSES WILL NOT BE AVAILABLE BEFORE THAT DATE.

MILWAUKEE WILL KEEP BUREAU ADVISED OF TRIAL PROGRESS.

END

RCS

FBI WASH DC

TUP

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach *DJ*

DATE: March 3, 1967

FROM : J. H. Gale *JHG*

SUBJECT: FRANK BALISTRIERI
ANTI-RACKETEERING

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

SAC Paul Fields of Milwaukee called at 5:30 P.M. March 3, 1967, to advise that Dominic Frinzi, Milwaukee attorney, on whom we have had microphone coverage in the past, had advised the press on March 3 that he had discovered live wiretap wires in his office.

Frinzi stated that he had hired Bernard Spindel, notorious wiretapper to survey his office and Spindel had found "three sets of wiretapping wires leading from a telephone in Frinzi's office to a junction box to telephone lines." Frinzi had demanded that the telephone company remove these lines.

The press has contacted SAC Fields who has made no comment concerning this matter. Fields stated our previous microphone had been removed at the time it was discontinued several years ago but that some of the wires which serviced it are probably still in the building where Frinzi's office is located.

ACTION:

SAC Fields is obtaining full particulars concerning Frinzi's allegations from the telephone company and will keep the Bureau advised of developments. Crime Records Division has been advised of the foregoing.

- 1 - Mr. DeLoach
- 1 - Mr. Wick
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

McA:msm

(6)

65 MAR 24 1967

REC-108
Urgent
OK *APR 92-3116504*
12 MAR 8 1967

COPY SENT TO MR. TOLSON

SPECIAL INVESTIGATIVE DIVISION

3/8/67

Attached teletype reports progress of Balistrieri's trial in Springfield, Illinois, and indicates Government will possibly complete its case today. Trial then to be recessed until 3/13/67.

McA:djg

A handwritten signature consisting of stylized initials, possibly "JL".

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gandy _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

1:58 AM 3-4-67 URGENT MRF

TO DIRECTOR

FROM MILWAUKEE (66-950) 040230

J U N E.

MURK
REG-113

ATTENTION: SECTION CHIEF, THOMAS J. MC ANDREWS, DIVISION 9

FRANK PETER BALISTRIERI; AR.

RE MILWAUKEE TEL CALL TO BUREAU INSTANT AND MILWAUKEE
AIRTEL TO BUREAU FEBRUARY 27 LAST.

[REDACTED] WISCONSIN TELEPHONE

COMPANY, CONFIDENTIALLY ADVISED SAC, MILWAUKEE, INSTANT THAT
TELEPHONE CO. RECEIVED COMPLAINT FROM Dominic Frinzi THAT HE
HAD FOUND "LIVE" TELEPHONE LINES IN HIS OFFICE USED FOR WIRE
TAPPING. FRINZI DEMANDED TELEPHONE CO. SEND OPERATORS OUT
TO CHECK THESE WIRES AND REMOVE SAME FROM HIS OFFICE. [REDACTED]
ADVISED THAT SUBSEQUENTLY EDWARD F. NEUBECKER, ATTORNEY IN
FRINZI'S OFFICE, AGAIN CALLED AND STATED MR. FRINZI DID NOT
INTEND TO WAIT ALL DAY AND WOULD TAKE HIS INFO. AND EVIDENCE
TO THE DISTRICT ATTORNEY UNLESS TELEPHONE CO. EMPLOYEES CAME

b6
b7c

92-3116 505
12 MAR 8 1967

Tolson	_____
DeLoach	_____
Mohr	_____
Wick	_____
Casper	_____
Callahan	_____
Conrad	_____
Felt	_____
Gale	_____
Rosen	_____
Sullivan	_____
Tavel	_____
Trotter	_____
Tele. Room	_____
Holmes	_____
Gandy	_____

D E C O D E D C O P Y

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 2, FROM MILWAUKEE 040230

IMMEDIATELY. NEUBECKER STATED THAT MR. BERNARD SPINDEL, WIRE TAPPING SPECIALIST, WAS AT FRINZI'S OFFICE AND HAD INDICATED THESE WERE LIVE WIRE TAPPING LINES.

[REDACTED] STATED HE WAS SENDING A SECURITY TELEPHONE SPECIALIST TO FRINZI'S OFFICE TO CHECK THE WIRES, ATTEMPT TO PLACATE FRINZI AND PROBABLY REMOVE ANY WIRES FOUND. HE ADVISED HE WAS CONFIDENTIALLY LETTING FBI KNOW SINCE HE EXPECTED FRINZI TO ALSO CONTACT THE PRESS.

SHORTLY THEREAFTER [REDACTED] MILWAUKEE JOURNAL NEWSPAPER REPORTED, CONTACTED SAC, MILWAUKEE. [REDACTED] ADVISED FRINZI HAD CONTACTED THE PAPER, STATING HE HAD FOUND THREE SETS OF WIRE TAPPING WIRES IN HIS LAW OFFICE. ONE SET OF WIRES WAS FOUND IN CEILING OVER FRINZI'S DESK, WHICH WIRES RAN TO A CIRCUIT BOX ELSEWHERE IN THE BUILDING AND THENCE TO TELEPHONE LINES. [REDACTED] ADVISED FRINZI STATED THAT TWO OTHER SETS OF WIRES WERE FOUND IN THE FOYER JUST OUTSIDE HIS OFFICE RUNNING FROM A WALL JUNCTURE BOX BACK TO TWO EXISTING TELEPHONES INSIDE HIS OFFICE. FRINZI CLAIMED THESE WIRES ARE STILL "LIVE" IN THAT THEY ARE

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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 3, FROM MILWAUKEE 040230

CONNECTED TO AN ELECTRIC CIRCUIT. HE ADVISED FRINZI CONTENDS THE WIRE TAPPING LINES WERE LEFT IN HIS OFFICE BY THE FBI WHEN THEY REMOVED THEIR ELECTRONIC LISTENING DEVICE IN 1963.

[REDACTED] ALSO STATED FRINZI ADVISED THAT IT WAS DISCLOSED IN THE FRANK BALISTRIERI TAX TRIAL TESTIMONY IN SPRINGFIELD, ILLINOIS THAT THE FBI HAD BUGGED HIS OFFICE AND LATER REMOVED THE BUGS. [REDACTED] STATED THAT FRINZI HAD A PHOTOGRAPHER TO TAKE VARIOUS PICTURES OF THE ABOVE MATERIAL IN HIS OFFICE BEFORE CONTACTING THE PAPER.

[REDACTED] ASKED FOR ANY COMMENTS WHICH SAC, MILWAUKEE, MIGHT DESIRE TO MAKE REGARDING FRINZI'S CONTENTION AND WAS ADVISED THAT THIS OFFICE HAS NO COMMENT IN REGARD TO THE ABOVE INFO.

FOR BUREAU'S INFO., WHEN SOURCE REMOVED, WHICH WAS A [REDACTED] INSTALLATION, LOCATED IN THE FALSE CEILING OF FRINZI'S OFFICE AND FOYER (RECEPTION ROOM OF THE LAW OFFICE SUITE), A QUANTITY OF WIRE WAS ALSO REMOVED. HOWEVER, FOR SECURITY REASONS ALL THE INSIDE WIRING USED IN THIS INSTALLATION COULD NOT BE RECOVERED. WIRES FOUND BY FRINZI DIRECTLY ABOVE

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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 4, FROM MILWAUKEE 040230

HIS OFFICE COULD CONCEIVABLY BE WIRING ABANDONED AFTER SOURCE REMOVED.

ON EVENING MARCH 3, [REDACTED] FURTHER ADVISED SAC CONFIDENTIALLY, THAT TELEPHONE CO. EMPLOYEES WENT TO FRINZI'S OFFICE WHERE OBSERVED PAIR OF WIRES HANGING DOWN THROUGH HOLE FROM CRAWL SPACE INTO LOWER FALSE CEILING. OTHER END OF WIRES CONNECTED TO TELEPHONE CO. CABLE SOME DISTANCE AWAY IN BUILDING CRAWL SPACE WHICH CABLE RAN TO SEVENTH FLOOR TERMINAL BOX. FRINZI KEPT HANGING WIRE, ALLOWED TELEPHONE CO. TO TAKE CABLE, BUT INSTRUCTED IT BE RETURNED BY MARCH 5, AS ALL NEEDED SHORTLY IN SPRINGFIELD, ILLINOIS CASE (BALISTRIERI). TELEPHONE CO. MEN ALSO OBSERVED PAIR OF LOOSE WIRES IN JUNCTURE BOX IN FOYER CONNECTED ON OTHER END TO SEVENTH FLOOR TERMINAL BOX. NO WIRES OTHER THAN REGULAR PHONE LINES RAN FROM JUNCTURE BOX TO ANY PHONES IN FRINZI'S OFFICE.

FRINZI TOLD TELEPHONE COMPANY EMPLOYEES HE PLANS TO SUE TELEPHONE CO. FOR FIVE MILLION DOLLARS AND WILL TAKE ALL THIS BUGGING MATERIAL TO SENATOR LONG'S COMMITTEE IN WASHINGTON

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AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 5, FROM MILWAUKEE 040230

ACCORDING TO [REDACTED] FRINZI TOLD WISCONSIN LEGISLATIVE COMMITTEE ON WIRETAPPING MARCH 2 THAT HE WAS TO APPEAR BEFORE LONG'S COMMITTEE WITHIN NEXT TWO MONTHS. [REDACTED] FURTHER ADVISED THAT SPINDEL DURING RECENT RADIO APPEARANCE IN CHICAGO CLAIMED TO BE CONSULTANT TO LONG'S COMMITTEE.

[REDACTED] CONCLUDED FROM FRENZI'S REMARKS AND OTHER INFO ABOVE THAT LATTER INTENDS USE OF WIRE MATERIAL IN BALISTRIERI TRIAL AND BEFORE LONG COMMITTEE.

BUREAU WILL BE KEPT ADVISED OF ALL DEVELOPMENTS IN THIS MATTER.

RECEIVED: 3:25 AM LRC

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UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: March 4, 1967

FROM : J. H. Gale

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

V.F. Frinzi ✓
Dwight ✓
Tolson _____
DeLoach _____
Mohr _____
Wick _____
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Tele. Room _____
Holmes _____
Gandy _____

In the attached teletype from Milwaukee, additional details are set forth concerning statements made to the press by Milwaukee attorney Dominic Frinzi on whom we had previously maintained microphone coverage. Frinzi had informed the press that Bernard Spindel, notorious wiretapper had located three sets of "live" wiretap lines in Frinzi's office.

Information has now been received from the Wisconsin Telephone Company that no wires other than regular telephone lines ran from juncture box to any telephones in Frinzi's office. Certain wires were located in the crawl space above Frinzi's office which could have been wires utilized by our Milwaukee Office in their coverage of Frinzi. Milwaukee advised that when that coverage was terminated and the microphone removed, it was not possible for security reasons to remove all the inside wiring used in this installation.

Frinzi indicated to the Wisconsin Telephone Company representative that he contemplates civil suit against the telephone company and also plans to appear before the Long Committee within the next two months concerning this incident. He also advised telephone company representatives that he plans to bring up this matter in connection with the trial of Balistrieri scheduled to resume in Springfield, Illinois, on March 6, 1967. It will be recalled that the Department disclosed the fact of our microphone coverage of Frinzi during the trial of Balistrieri in Springfield, which was interrupted as a result of a heart attack sustained by Chief Defense Council Walsh.

ACTION

92-3116506

There is attached for approval a letter to the _____ Attorney General advising him of the foregoing.

Enc. (2)

- 1 - Mr. DeLoach
- 1 - Mr. Wick
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

12 MAR 8 1967

COPY SENT TO MR. TOLSON

McA;mln 2/19/67 R. J. M.
65 MAR 1 (6) 1967



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

*In Reply, Please Refer to
File No.*

Milwaukee, Wisconsin
April 18, 1967

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

The following are characterizations of informants utilized in the report of SA CARLYLE N. REED at Milwaukee, dated and captioned as above:

MI T-1 is a legitimate individual who comes in contact with hoodlums in Milwaukee.

MI T-3 is a hoodlum.

MI T-4 is a legitimate businessman who comes in contact with hoodlums.

MI T-8 is a gambler - hoodlum.

MI T-10 is an individual who has hoodlum associations.

MI T-11 is an individual who by virtue of his legitimate business and position is acquainted with hoodlums, gamblers, pimps and prostitutes.

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.



THE LINE IS BUSY — Milwaukee Atty. Dominic Frinzi Friday looked over a mysterious device on his desk which indicated a telephone conversation on wires dangling from the ceiling of his office.

Frinzi claims the FBI bugged his office. A wire tapping expert hired by Frinzi found four sets of wires, three of which were still connected and monitoring other telephone conversations. *Journal Staff*

Arrested 206 Times

He has been arrested or indicted 206 times in connection with his work, but he has been found guilty only once. The charge was eavesdropping and a fine of \$500 was suspended while the case is being reviewed.

"There is another thing about this case that has me burned up," Frinzi said. "For three years we have been complaining to the building management about the air conditioning in this office. Now I know what was happening. We have been losing pressure through that hole the FBI chopped in the ceiling."

Balistrieri's trial was recessed in November when one of his attorneys became ill. It will resume Monday in Springfield (Ill.) federal court.

National controversy over FBI wire tapping procedures has arisen in recent months. The FBI is under strict orders to tap telephones and use other listening devices only in cases involving national security. The term national security has never been defined. FBI Director J. Edgar Hoover has declined to elaborate on the extent of wire tapping.

Frinzi has twice run as a Democratic candidate for governor. He was defeated in the 1964 and 1966 primaries.



STILL LIVE—Milwaukee Atty. Dominic Frinzi examined the ceiling above his desk, where he said a wire tapping expert discovered microphone wires used by the FBI to record conversations in his office. The wires are connected to telephone lines now used in a downtown bank and other offices in the Plankinton building where Frinzi has his office. The FBI declined to comment. —Journal Photo

NP 3/8/67
FBI WASH DC

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

MAR 8 1967

TELETYPE *✓*

Mr. A.	Mr. B.
Mr. C.	Mr. D.
Mr. E.	Mr. F.
Mr. G.	Mr. H.
Mr. I.	Mr. J.
Mr. K.	Mr. L.
Mr. M.	Mr. N.
Mr. O.	Mr. P.
Mr. Q.	Mr. R.
Mr. S.	Mr. T.
Miss H.	Miss I.
Miss J.	Miss K.

FBI MILWAUK

544PM URGENT 3/8/67 PJR

~~TO DIRECTOR (92-3116) ATTN: T.J. MC ANDREWS, DIVISION NINE~~
~~FROM MILWAUKEE (94-316) (P)~~
FRANK PETER BALISTRIERI, AR. OO MILWAUKEE.

J. J.
RE MI TEL TO BUREAU THREE SEVEN SIXTYSEVEN.

USA JAMES B. BRENNAN, EDW, MILWAUKEE ADVISED LATE PM TODAY
RE BALISTRIERI INCOME TAX TRIAL SPRINGFIELD, ILLINOIS AS
FOLLOWS: COURT HEARD TESTIMONY FROM TWO GOVERNMENT WITNESSES
BOTH OF WHOM ARE IRS AGENTS. ONE WITNESS TESTIFIED AS TO
FINANCIAL HOLDINGS OF BALISTRIERI IN MILWAUKEE AND THE OTHER
WITNESS IS PRESENTING SUMMATION OF GOVERNMENTS CASE.

TESTIMONY OF SUMMATION WITNESS IS LENGTHY AND EXTENSIVE
BUT AUSA [REDACTED] EXPECTS TO REST CASE OF GOVERNMENT SOMETIME
THURSDAY THREE NINE SIXTYSEVEN.

P

WHEN GOVERNMENT CASE RESTED DEFENSE ATTORNEY MAURICE
WALSH IS EXPECTED TO ASK COURT FOR A DIRECT ACQUITTAL BASED
UPON INSUFFICIENT EVIDENCE PRESENTED BY GOVERNMENT. COURT
EXPECTED TO DENY MOTION.

MILWAUKEE WILL KEEP BUREAU ADVISED OF TRIAL PROGRESS.

END

HOLD

7-1
61 MAR 14 1967.
FBI WASH DC

EX-114

73 MAR 9 1967

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F B I

Date: 3/6/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO: DIRECTOR, FBI (92-3116)
ATTN: T. J. McANDREWS, Division Nine

FROM: SAC, MILWAUKEE (94-316) (P)

SUBJECT: FRANK PETER BALISTRERI, aka.
AR

OO: Milwaukee

Re Milwaukee teletype to the Bureau, 3/3/67.

Enclosed herewith for the Bureau are the original and one Xerox copy of a news article which appeared in the 3/4/67 edition of "The Milwaukee Journal," a newspaper of general circulation published daily in Milwaukee. One copy is being furnished for the information of Mr. McANDREWS and one for the attention of the Crime Records Section.

For the information of the Bureau [redacted] (SAC Contact) [redacted] Milwaukee, telephonically advised the Milwaukee Office that [redacted]

[redacted] FRINZI charged that a Negro girl, who was a client of his and who was convicted about two years ago on a charge of prostitution, was convicted because FRINZI felt, the evidence against her was obtained from a wiretapping. In this regard [redacted] for more details regarding the case and the identity of the Negro girl, but FRINZI declined to comment further on the case.

REC-54 92-3116-508
FRINZI undoubtedly is referring to the case entitled, [redacted]
[redacted] aka.; [redacted] ITAR - PROSTITUTION;

AFO Milwaukee file 166-40, Bufile 166-761, which was

- ENCLOSURE
c d w/c 2 - Milwaukee (94-316)
5 - Bureau (92-3116) (Encs. 2) (AM-RM) 18-41529
(1 - Crime Records Section)
(1 - 166-761) [redacted]

3 MAR 7 1967

JEO:EF
(7)Approved: 62MAR171967
Special Agent in Charge

Sent _____ M Per _____

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UNSEARCHED UNINDEXED UNFILED

SPECIAL INVESTIGATIVE DIVISION

March 7, 1967

Trial of Ballistrieri, Wisconsin hoodlum, for income tax violation, was resumed on March 6, 1967, at Springfield, Illinois. Department had previously made disclosures of our microphones and hearing had been held. Defense counsel attempted to reopen microphone question and trial judge reprimanded defense counsel. Government's case to be completed by March 9, 1967, following which defense may again attempt to bring up microphone aspects, or may delay same pending outcome of trial. Government attorneys confident Government will win verdict of guilty.

McA:tjm

86

AP

JHS

(11)

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 94-316

investigated by the Milwaukee Office from July 2, 1963, to September 18, 1963. In this case [redacted] was convicted by jury trial, USDC, Milwaukee, on 9/10-11/63 of two violations, Title 18, USC, Section 1952. On 9/12/63, both [redacted] and [redacted] were convicted by jury trial, USDC, Milwaukee, for violation Title 18, USC, Section 111, AFO. On 9/13/63, [redacted] was sentenced to two years on each ITAR conviction and two years for AFO to be served concurrently. [redacted] at the same time was sentenced to one year and one day for AFO. The subjects in this ITAR case were defended by attorneys DOMINIC H. FRINZI and EDWARD F. NEUBECKER.

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The special indices of the Milwaukee Office contain no information identifiable with either [redacted] and none of the evidence gained in this case was obtained as a result of the surveillance on FRINZI's office between April and October, 1963.

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[redacted] stated that FRINZI [redacted] and mentioned [redacted] that he was going to [redacted]
 [redacted] said that FRINZI was rather nonspecific in this, but indicated [redacted] BALISTRIERI federal income tax trial presently in progress in USDC, Springfield, Illinois.

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[redacted] further advised that [redacted]

[redacted] further advised that [redacted]

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The Milwaukee Office will continue to follow this matter closely and advise the Bureau in the event FRINZI takes any action regarding the ITAR case.

- 2 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

(Mount Clipping in Space Below)

Frinzi Shows Wires, Claims FBI Tap

By JOHN R. STALLARD
Of The Journal Staff

Atty. Dominic H. Frinzi claimed Friday that three sets of live wires discovered in his office were part of a wire tapping system left there by the FBI.

The wires still monitored telephone conversations, although not from Frinzi's office. During a brief demonstration, this reporter listened to a telephone conversation from a downtown bank over one set of the wires. Two sets of wires carried conversation believed to be from other telephones in the Plankinton building, where Frinzi's office is situated. It was not known whether the telephones connected to the wires were being monitored by the FBI.

The bureau declined to comment about any aspect of the situation.

Wires Traced

FBI agent Joseph E. O'Connell testified last November in Springfield, Ill., during the income tax evasion trial of Milwaukee night club operator Frank P. Ballistrieri, that he had bugged a Milwaukee lawyer's office. O'Connell did not identify the lawyer, but Frinzi said Friday that he was the one. O'Connell said he installed only one microphone and that he "removed the installation."

Frinzi hired Bernard B. Spindel, Holmes, N. Y., who claims he is the nation's No. 1 private wire tapping expert, to search his office. Spindel said that wires he found in the ceiling and walls indicated that someone had placed at least three microphones in Frinzi's office, and all that was done in the removal process was to "snip off the microphones."

Spindel said the three sets of wires led from Frinzi's office

to a telephone circuit box in the hallway where they were connected to working telephone lines. A fourth set of wires in Frinzi's office was not connected to anything, but Spindel said they had originally also been part of an eavesdropping system.

"This place was lit up like a Christmas tree," Spindel said. "It would have taken less than a minute to connect the microphones again, and, since the wires were still live, anybody could have charged Frinzi with illegal eavesdropping."

Spindel said the system included a series of microphones wired directly to telephone lines. The subscriber to the telephone line originally could listen to any conversation in Frinzi's office merely by picking up his telephone receiver.

System 2 Years Old

Spindel said the age and condition of the wires indicated that they had been placed in Frinzi's office "a few years ago." He theorized that whoever had bugged Frinzi's office had at some time released the telephone lines back to the telephone company and that the company had reassigned the wires to new telephone subscribers, unaware that they were still connected, as part of a bugging system.

A spokesman for the Wisconsin Telephone Co. acknowledged that the wiring was set up as Spindel described it, and that the FBI had once asked for telephone lines in the building.

"But we didn't know what the FBI wanted with the lines," the spokesman said. "We assign them lines the same as any other subscriber."

The spokesman conceded that the company had reassigned the FBI lines to other subscribers and did not know that any microphone wires were attached.

When the wires were discovered, Frinzi demanded that someone from the telephone company come to view them. Robert Wenzel, head of the

company's security division, went to Frinzi's office Friday afternoon.

"I'm horrified at you people for allowing this system to be hooked up in the first place," Frinzi told Wenzel. "Now I want those wires out of here and I want them out fast before they get me into trouble."

Agrees to Removal

Wenzel said he didn't know anything about the wires, but he agreed to have them removed immediately.

One microphone for the listening device had been installed directly over Frinzi's desk. A hole about three inches wide had been broken in the main ceiling plaster and a microphone laid over a crack in the subceiling.

Spindel connected a voltmeter to the wires over Frinzi's desk. The meter reacted each

time a telephone call was made. "If you don't believe there is conversation on that line," Spindel said, "try this."

He connected a receiver headset to the wires and handed it to the reporter.

Wires Laid in Attic

The conversation was that of a man discussing bank checks. Spindel connected the headset to another set of wires near a secretary's desk in Frinzi's office. The reporter heard a woman discussing office procedures.

The microphone wires were laid in the attic of the top floor of the building and in some cases had been concealed under the insulation.

The connection where one set of the wires was connected to a telephone line was covered over with small red "protector caps."

Spindel said such caps are normally put over connections for burglary and fire alarms as a warning for telephone repairmen not to disturb them.

Spindel has been employed by many companies to detect bugging and wire tap devices. "I am the man who finds 90% of all FBI wire taps discovered," he said.

ENCLOSURE

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 1
THE MILWAUKEE JOURNAL
MILWAUKEE, WISCONSIN

Date: 3/4/67
 Edition: LATEST
 Author:
 Editor: RICHARD H. LEONARD
 Title: FRANK PETER
 BALISTRERI

Character: AR

or
 Classification: 94-
 Submitting Office: MILWAUKEE

Being Investigated

3116 - 508

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FBI WASH DC

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

MAR 7 1967

TELETYPE

FBI MILWAUK

213PM URGENT 3/7/67 DLS

TO DIRECTOR 92-3116 ATTN: T.J. MC ANDERS DIVISION NINE
FROM MILWAUKEE 94-316 2PG

① FRANK PETER BALISTRIERI, AR. 00; MIL.

DW ✓
Mr. Tolson ✓
Mr. DeLoach ✓
Mr. Mohr ✓
Mr. Felt ✓
Mr. Casper ✓
Mr. Callahan ✓
Mr. Conrad ✓
Mr. Felt ✓
Mr. Gale ✓
Mr. Rosen ✓
Mr. Sullivan ✓
Mr. Tavel ✓
Mr. Trotter ✓
Tele. Room ✓
Miss Holmes ✓
Miss Gandy ✓

REMI TELEPHONE CALL TO BUREAU MARCH SEVEN INSTANT.

ON MARCH SEVEN INSTANT, USA JAMES B. BRENNAN, EDW, MILW., ADVISED DISTRICT JUDGE
FEDERAL INCOME TAX TRIAL BALISTRIERI COMMENCED BEFORE USDJ OMAR T. POOS DISTRICT COURT
IN USDC, SPRINGFIELD, ILL., MARCH SIX LAST. BEFORE TRIAL COMMENCED
JUDGE POOS ADVISED ATTORNEYS FOR BOTH GOVT. AND DEFENSE THAT HE HAS HAD AMPLE OPPORTUNITY TO REVIEW FORMER PROCEEDINGS THIS CASE AND INTENDS THIS TRIAL WILL BE HEARD BY JURY WITHOUT FURTHER DELAY.

ATTORNEY MAURICE WALSH, REPRESENTING BALISTRIERI, MADE NO
OBJECTION AND DID NOT SUBMIT ANY MOTIONS TO COURT.

INTERNAL REVENUE SERVICE
THE GOVT. CALLED IRS AGENT [REDACTED] WHO INVESTIGATED
CASE FOR IRS. UNDER CROSS EXAMINATION BY ATTY WALSH, [REDACTED]
WAS ASKED IF HE, [REDACTED] KNEW BALISTRIERI WAS A TARGET OF
ORGANIZED CRIME SECTION OF THE DEPT., TO WHICH [REDACTED] ANSWERED YES.

[REDACTED] WAS THEN ASKED BY ATTY WALSH IF IRS COOPERATED WITH
FBI IN BUGGING OPERATIONS. AT THIS POINT AUSA [REDACTED] EDW,
WHO IS PROSECUTING GOVT. CASE OBJECTED. JUDGE POOS CALLED ATTY

END PI

REC-71 92-3116-509
APR 9 1967

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WALSH BEFORE THE BENCH AND REPRIMANDED HIM FOR QUESTIONING THE WITNESS ABOUT A MATTER THAT WAS NOT PERTINENT TO TRIAL ISSUE AND ORDERED THIS QUESTION BE STRICKEN FROM RECORD.

USA BRENNAN STATED THAT AUSA [REDACTED] INTENDS TO COMPLETE PRESENTATION OF GOVT. CASE BY THURSDAY, MARCH NINE NEXT. FURTHER, THAT THE TRIAL WILL BE RECESSSED ON FRIDAY, MARCH TEN, NEXT, DUE TO PRIOR COMMITMENT ON OTHER MATTERS BY JUDGE POOS.

ACCORDING TO USA BRENNAN, AUSA [REDACTED] IS OF OPINION ATTY WALSH MAY BRING UP PRE TRIAL BUGGING ASPECT OF THIS CASE IN HIS DEFENSE ARGUMENTS BEFORE COURT ON MONDAY, MARCH THIRTEEN NEXT, OR DELAY SUCH ACTION PENDING OUTCOME OF TRIAL.

AUSA [REDACTED] IS CONFIDENT GOVT. WILL SUCCESSFULLY PROSECUTE BALISTRIERI AND IN THIS EVENT ATTY WALSH WILL UNDOUBTEDLY FILE APPEAL MOTION RE BUGGING BY FBI BEFORE SEVENTH CIRCUIT COURT OF APPEALS.

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MILWAUKEE WILL KEEP BUREAU ADVISED OF TRIAL PROGRESS.

END

HOLD I

CORRECTION IN HEADING PAGE L

ATT: JXX T. J. MC ANDREWS DIVISION NINE

END

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FBI WASH DC

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Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Rocco
Miss Holmes
Miss Gandy

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

MAR 9 1967

FBI WASH DC

TELETYPE

FBI MILWAUK

519PM URGENT 3/9/67 PJR

TO DIRECTOR (92-3116) ATTN: T.J. MC ANDREWS, DIVISION NINE
FROM MILWAUKEE (94-316) (P) 1P
FRANK PETER BALISTRIERI, AR. OO MILWAUKEE.

RE MI TEL TO BUREAU THREE EIGHT SIXTYSEVEN.

USA JAMES B. BRENNAN, EDW, MILWAUKEE ADVISED LATE PM
TODAY RE BALISTRIERI INCOME TAX TRIAL SPRINGFIELD, ILLINOIS
AS FOLLOWS: EXPERT IRS SUMMATION WITNESS UNDER DIRECT
EXAMINATION ALL DAY THREE NINE SIXTYSEVEN BY AUSA [redacted]

[redacted] GOVERNMENT UNABLE TO REST CASE TODAY DUE TO
EXTENSIVE OBJECTIONS OF TESTIMONY THIS WITNESS MADE BY DEFENSE
ATTORNEY MAURICE WALSH. GOVERNMENT NOW EXPECTED TO REST CASE
THREE THIRTEEN SIXTYSEVEN, SINCE TRIAL WILL BE IN RECESS
FRIDAY THREE TEN SIXTYSEVEN.

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MILWAUKEE WILL KEEP BUREAU ADVISED OF TRIAL PROGRESS.

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FBI WASH DC

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92-3116-510

EX-114

2 MAR 12 1967

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FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

MAR 10 1967

by TELETYPE

FBI WASH DC

Mr. Tolson _____
Mr. DeLoach _____
Mr. Mohr _____
Mr. Wick _____
Mr. Casper _____
Mr. Callahan _____
Mr. Conrad _____
Mr. Felt _____
Mr. Gale _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

FBI MILWAUK

552PM URGENT 3-10-67 MRF

TO DIRECTOR (92-3116). ATTN: T.J. MC ANDREWS, DIVISION NINE.
FROM MILWAUKEE (92-3116)(P) 2P

FRANK PETER BALISTRIERI, AR. OO: MILWAUKEE.

OK REMITEL TO BUREAU THREE NINE LAST.

AUSA [redacted] EDW, MILWAUKEE, WHO IS PROSECUTING
BALISTRIERI FEDERAL INCOME TAX TRIAL, SPRINGFIELD, ILLINOIS,
ADVISED TODAY AS FOLLOWS: TRIAL WILL RESUME NINE-THIRTY AM,
MARCH THIRTEEN NEXT. DIRECT TESTIMONY WILL BE HEARD FROM
SUMMATION WITNESS OF GOVERNMENT. ATTORNEY MAURICE WALSH,
REPRESENTING BALISTRIERI, IS OBJECTING TO EVERY QUESTION ASKED
OF SUMMATION WITNESS AND THIS IS DELAYING CONCLUSION OF
GOVERNMENT CASE. HOWEVER, [redacted] FEELS HE CAN REST GOVERNMENT
CASE BY TUESDAY, MARCH FOURTEEN NEXT AT WHICH TIME ATTORNEY
WALSH WILL BEGIN CROSS EXAMINATION.

REC-38 92-3116-511

AT CONCLUSION OF GOVERNMENT CASE [redacted] ANTICIPATES WALSH
WILL MAKE TWO MOTIONS. ONE CALLING FOR DIRECT ACQUITTAL BASED
UPON INSUFFICIENT EVIDENCE PRESENTED BY GOVERNMENT AND THE

END PAGE ONE

DEPT. OF JUSTICE
FEB 11 1967

b6
b7c

b6
b7c

PAGE TWO

MI (92-316)

OTHER THAT GOVERNMENT EVIDENCE WAS TAINTED BY FBI BUGGING
OPERATION OF BALISTRIERI. AUSA [REDACTED] ANTICIPATES JUDGE POOS
WILL DENY BOTH MOTIONS.

AUSA [REDACTED] CONFIDENTIALLY ADVISED HE HAS TOLD USDJ POOS
THAT ATTORNEY DOMINIC H. FRINZI MAY ATTEMPT TO BRING IN A NEW
MOTION TO SUPPRESS EVIDENCE BASED UPON DISCOVERY OF WIRING
IN HIS MILWAUKEE OFFICE ON MARCH FOUR LAST. JUDGE POOS HAS
INDICATED TO AUSA [REDACTED] THAT IN EVENT ATTORNEY FRINZI ATTEMPTED
SUCH A MOTION, THAT HE WOULD DENY IT.

[REDACTED] FURTHER ADVISED THAT ATTORNEY FRINZI WAS PRESENT
AT THE TRIAL MARCH SIXTH LAST THROUGH MARCH NINE LAST BUT DID
NOT PARTICIPATE IN ANY TRIAL PROCEEDINGS. [REDACTED] ALSO NOTED
THERE HAS BEEN NO PUBLICITY IN SPRINGFIELD PRESS RE THE TRIAL
SINCE ITS RESUMPTION.

MILWAUKEE WILL KEEP BUREAU ADVISED OF TRIAL PROGRESS.

END

CORRECTION PAGE ONE LINE ELEVEN WORD ONE SHOULD BE WALSH

END

RCS

FBI WASH DC

P

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b7c

**U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION**

MAR 13 1967

FBI WASH DC

TELETYPE

FBI MILWAUKEE

550PM URGENT 3/13/67 PJR

TO DIRECTOR (92-3116) ATTN: T-1 - MC ANDREWS, DIVISION NINE

FROM MILWAUKEE (9A-316) (P) 1P

FRANK PETER BALISTRIERI, JR. OO MILWAUKEE.

RE MILWAUKEE TEL TO BUREAU THREE TEN SIXTYSEVEN.

USA - JAMES B. BRENNAN - EDW- MILWAUKEE ADVISED LATE PM

TODAY RE BALISTRIERI INCOME TAX TRIAL SPRINGFIELD, ILLINOIS

AS FOLLOWS: TRIAL RESUMED NINE THIRTY AM TODAY. EXPERT

IRS SUMMATION WITNESS UNDER DIRECT EXAMINATION ALL DAY BY

GOVERNMENT PROSECUTOR AUSA EDW. MILWAUKEE.

[REDACTED] ANTICIPATES GOVERNMENT WILL REST CASE SOMETIME TOMORROW
THREE FOURTEEN AFTER WHICH DEFENSE ATTORNEY MAURICE WALSH WILL
BEGIN CROSS EXAMINATION.

MILWAUKEE WILL KEEP BUREAU ADVISED OF TRIAL PROGRESS.

END

MXS

FBI WASH DC

11P

Mr. Tolson _____
Mr. DeLoach ..
Mr. Mohr _____
Mr. Wick _____
Mr. Casper _____
Mr. Callahan _____.
Mr. Conrad _____.
Mr. Felt _____
Mr. Gale _____
Mr. Rosen _____
Mr. Sullivan _____
Mr. Tavel _____
Mr. Trotter _____
Tele. Room _____
Miss Holmes _____
Miss Gandy _____

b6
b7C

30 MAR 45 1967

62
62 MAR 22 1967 65

UNITED STATES GOVERNMENT

Memorandum

TO : DIRECTOR, FBI DATE: 3/8/67
ATTN: MR. T. J. MC ANDREWS, DIVISION 9 and
CRIME RECORDS DIVISION

FROM : SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

Re Milwaukee airtel, 1/17/67 concerning proposed legislation in the City of Milwaukee for an ordinance against wire tapping and electronic surveillance.

On 3/6/67 [redacted]

b7D

[redacted] voluntarily advised SA CARLYLE N. REED on a confidential basis as follows regarding the status of the above-mentioned proposed ordinance:

[redacted] has received no information to date to indicate that the proposed ordinance barring wire tapping and the use of electronic listening devices has come out of the Committee on Judiciary - Legislation of the Milwaukee City Council for further consideration by the council. There is presently an apparent lack of enthusiasm on the part of most of the councilmen for passage of such an ordinance. Even Alderman [redacted] who initiated this proposed ordinance, has recently mentioned [redacted] that he now believes that with the proposal of Federal and State legislation covering this subject matter, that the City of Milwaukee could be less concerned and leave the matter to State and Federal levels of legislation. It was [redacted] opinion that this ordinance proposed by Alderman [redacted] would not be passed and probably would not come to a council vote.

b6

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b7D

The Bureau will be kept advised of further developments regarding this matter.

REC-72

92-3116-513
St. [Signature]

EX 106

14
MAR 10 1967

④-2d
Bureau RM
1 - Milwaukee

CNR/bkc
(5)

MAR 21 1967

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan
GPO:100-108-01

MAIL RM.
SAC

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

MAR 14 1967

TELETYPE

FBI WASH DC

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gandy
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FBI MILWAUK

531PM URGENT 3/14/67 JSM

TO DIRECTOR (92-3116)

ATTN: T. J. MC ANDREWS, DIVISION NINE
FROM MILWAUKEE (94-316)

*St. John
q-legal*

FRANK PETER BALISTRIERI, AR. 00: MILWAUKEE

RE MILWAUKEE TEL TO BUREAU, THREE THIRTEEN, LAST. USA

JAMES B. BRENNAN, EDW, MILWAUKEE ADVISED LATE PM TODAY RE

BALISTRIERI INCOME TAX TRIAL SPRINGFIELD, ILL., AS FOLLOWS:

GOVERNMENT RESTED CASE TODAY. MAURICE WALSH, DEFENSE ATTORNEY

MADE MOTION FOR DIRECT ACQUITTAL BASED UPON INSUFFICIENT

EVIDENCE, WHICH COURT DENIED. WALSH INSTRUCTED BY COURT TO

IMMEDIATELY PROCEED WITH DEFENSE.

AUSA [redacted] EDW, MILWAUKEE, WHO IS PROSECUTING
CASE FOR GOVERNMENT IS NOT AWARE OF WHO WALSH MAY SUBPOENA TO

TESTIFY, BUT IS OF OPINION WILL NOT CALL BALISTRIERI TO THE STAND.

REC 5 92-3116-514
MILWAUKEE WILL KEEP BUREAU ADVISED OF TRIAL PROGRESS.

END

15 MAR 1967

WRD

FBI WASH DC

55

TUP

15 MAR 22 1967

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b7C

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

11:50 PM URGENT 3-15-67

TO DIRECTOR (92-3116)

FROM MILWAUKEE (66-950) 160100

ATTENTION: T. J. MC ANDREWS, DIVISION NINE.

JUNE.

FRANK PETER BALISTRIERI; AR. 00: MILWAUKEE.
 Anti-racketeering
 Office of Origin

RE MILWAUKEE TEL TO THE BUREAU MARCH 14 LAST AND

MILWAUKEE TELEPHONE CALLS TO THE BUREAU MARCH 15 INSTANT.

Assistant United States Attorney

ASA [redacted] EDW, PROSECUTING GOVERNMENT

FEDERAL INCOME TAX CASE AGAINST BALISTRIERI, SPRINGFIELD,
ILL., ADVISED TODAY AS FOLLOWS:

DEFENSE ATTORNEY MAURICE WALSH CALLED [redacted] TO

STAND WHO BRIEFLY TESTIFIED IN BEHALF OF BALISTRIERI. ASA

[redacted] IN CROSS EXAMINATION OF [redacted] ASKED HIM IF HE WAS
EVER CONVICTED OF A CRIME. THE DEFENSE OBJECTED AND [redacted]b6
b7C

Assistant United States Attorney

92-314-515

RFC 5

3 MAR 16 1967

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE TWO FROM MILWAUKEE 160100

WAS UNABLE TO ESTABLISH ANY CRIMINAL RECORD OF THE WITNESS.

PER MILWAUKEE TELCAL TO BUREAU TODAY, [REDACTED] HAD REQUESTED ANY PERTINENT INFO IN MILWAUKEE FBI FILES RE [REDACTED] SO HE COULD ATTACK CREDIBILITY. HOWEVER, SINCE WITNESS WAS ON STAND FOR SUCH A SHORT PERIOD OF TIME AND DISMISSED, [REDACTED] DID NOT HAVE OPPORTUNITY TO USE DATA ON [REDACTED] AND NONE WAS FURNISHED EXCEPT THAT MILWAUKEE OFFICE FILES INDICATE [REDACTED] HAS SEVERAL LOCAL ARRESTS, BUT NO CONVICTIONS OTHER THAN TRAFFIC VIOLATIONS.

FOR INFO BUREAU, [REDACTED] HAS BEEN SUBJECT OF ~~AP~~ ^{Anti-racketeering} INVESTIGATION BY THE MILWAUKEE OFFICE UNDER CAPTION [REDACTED]

[REDACTED] ^{aka known as} AKA.; AP, " BUFILE 92-3082, MILWAUKEE FILE 94-321,

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b7C

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b7E

Assistant United States Attorney

ALSA [REDACTED] ALSO ADVISED DEFENSE HAS ONE MORE WITNESS,

PETER J. GRANATA OF CHICAGO, WHO WILL TESTIFY AS A DEFENSE

*LL
WIS*

b6
b7C

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE THREE FROM MILWAUKEE 160100

WITNESS ON THURSDAY, MARCH 16 NEXT. TESTIMONY FROM THIS WITNESS WILL BE COMPLETED MARCH 16 NEXT AFTER WHICH USDJ POOS WILL RECESS TRIAL UNTIL NEXT WEDNESDAY, MARCH 22, 1967, DUE TO OTHER COMMITMENTS, AT WHICH TIME CASE WILL BE GIVEN TO THE JURY. [REDACTED] REQUESTED BACKGROUND AND RAP SHEET DATA ON GRANATA FOR USE TO ATTACK CREDIBILITY. DUE TO PAUCITY SUCH INFO IN MILWAUKEE FILES RE GRANATA, CHICAGO ASSOCIATE OF GIANCANA AND OTHER HOODLUMS, CHICAGO OFFICE REQUESTED TO FURNISH REQUIRED DATA AND DID SO MARCH 15. PURSUANT TO MILWAUKEE TELCAL TO BUREAU, THIS DATA TELEPHONICALLY FURNISHED TO [REDACTED] SAME DATE, NONE OF WHICH EMANATED FROM ANY TECHNICAL SOURCE.

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b7c

U.S. PER BUREAU INQUIRY INSTANT RE SPECIFIC REFERENCE TO DOMINICK FRINZI ADDRESS IN BALISTRIERI TAX TRIAL TESTIMONY, REVIEW OF AVAILABLE PORTION TRIAL TRANSCRIPT DETERMINED SA [REDACTED] TESTIFIED ELECTRONIC COVERAGE ESTABLISHED ON LAWYER, NOT NAMED, ON WEST WISCONSIN AVENUE, MILWAUKEE, NO SPECIFIC ADDRESS STATED. IT APPEARS GOVERNMENT ATTORNEYS

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Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE FOUR FROM MILWAUKEE 160100

IN COURT OR CHAMBERS FURNISHED FRINZI'S OFFICE ADDRESS ALONG
WITH SURVEILLANCE LOGS, OR IN STIPULATIONS, THOUGH ENTIRE
TRANSCRIPT NOT AVAILABLE AT MILWAUKEE.

BUREAU WILL BE KEPT ADVISED RE TRIAL PROGRESS.

RECEIVED: 1:11 AM 3-16-67 REY

F B I

Date: 3-15-67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO DIRECTOR, FBI (92-3116)
 FROM SAC, SPRINGFIELD (92-209)
 RE: FRANK PETER BALISTRIERI, aka
 AR

For information Milwaukee and Bureau, Departmental Attorney [redacted] handling income tax trial of BALISTRIERI on change of venue in Springfield Federal District Court, advised this date government concluded presentation of its case March 14, 1967. At conclusion of government's case Federal Judge POOS denied defense motion for acquittal and motion for suppression of evidence. Defense case instituted late afternoon March 14, 1967, and [redacted] expects defense to conclude its case by this date or March 16, 1967.

[redacted] advised no court scheduled for March 17 or 20, 1967. He expects Judge to charge jury March 21, 1967 and jury to have case by March 22, 1967.

Bureau and Milwaukee will be advised of completion of trial.

EX-102

③ - Bureau
 2 - Milwaukee (94-316)
 1 - Springfield
 REG:VLS
 (6)

REC 5

12 MAR 16 1967

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b7CE.C.W.
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Approved: John J. O'Connor
 Special Agent in-Charge Sent _____ M Per _____

F B I

Date: 3/9/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO: DIRECTOR, FBI (92-3116)
 FROM: SAC, MILWAUKEE (94-316)
 SUBJECT: FRANK PETER BALISTRIERI, aka
 AR
 OO: Milwaukee

REC-8
SEARCHED
INDEXED
FILED
MAY 4 1967 BY SP2 CJC/CW
346961

On 3/8/67, SA's CARLYLE N. REED and [redacted]
 [redacted] were in contact with [redacted] a businessman

[redacted] has furnished reliable information in the past. The following information was obtained by informant [redacted]

[redacted] Since informant and these two individuals were the only persons present at the time this information was obtained, it should not be disseminated or utilized in such a way as to pinpoint the informant as the source.

[redacted] information is as follows:

[redacted] Milwaukee, Wisconsin

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b7D

[redacted] Milwaukee

3 - Bureau AM RM
 4 - Milwaukee (1 - 94-316)
 {1 - [redacted]}
 {1 - 92-222}
 {1 - 92-303}

REC-8

92-3116-517

EX 106

12 MAR 17 1967

CNR/bkc
(7)

Approved: [Signature] Sent _____ M Per _____
 Special Agent in Charge

b7D

MI 92-316

FRANK PETER BALISTRIERI.

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b7C
b7D

b7D

the FRANK BALISTRIERI Federal Income Tax trial.

FRANK BALISTRIERI's

Federal Income Tax trial

b7D

b7D

Independent of the above information informant has learned that FRANK BALISTRIERI made a statement within the past week or two that to date, his, BALISTRIERI's, Federal Income Tax trial has cost him \$80,000.

MI 92-316

The foregoing is submitted for the Bureau information. The informant advised that should he pick up any further pertinent information along the above lines, he will, of course, advise the Milwaukee Office accordingly.

3/16/67
FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 16 1967

TELETYPE

FBI WASH DC

FBI MILWAUK

458PM URGENT 3/16/67 PJR

TO DIRECTOR (92-3116) ATTN: T.J. MC ANDREWS, DIVISION NINE
FROM MILWAUKEE (94-316) 1P
FRANK PETER BALISTRIERI, AR. OO MILWAUKEE.

REMITEL TO BUREAU MARCH FIFTEEN LAST.

AUSA [redacted] EDW, MILWAUKEE, WHO IS
PROSECUTING BALISTRIERI FEDERAL INCOME TAX TRIAL, SPRINGFIELD,
ILL., ADVISED LATE PM TODAY AS FOLLOWS:

DEFENSE ATTORNEY MAURICE WALSH RESTED DEFENSE CASE TODAY.
AT CONCLUSION OF DEFENSE, USDJ POOS ADVISED HE WILL HEAR FINAL
ARGUMENTS RE THIS CASE ON WED., MARCH TWENTYTWO NEXT, AND WILL
INSTRUCT JURY ON SAME DATE.

BUREAU WILL BE KEPT ADVISED RE TRIAL PROGRESS COMMENCING
MARCH TWENTYTWO NEXT.

END

RAM

FBI WASH DC

T

REC 45

92-3116-518

11 MAR 17 1967

59
Aug 1967
55

Mr. Tolson	.....
Mr. DeLoach	.....
Mr. Mohr	.....
Mr. Tavel	.....
Mr. Casper	.....
Mr. Callahan	.....
Mr. Conrad	.....
Mr. Felt	.....
Mr. Gale	.....
Mr. Rosen	.....
Mr. Rosen	.....
Mr. Rosen	.....
Mr. Sullivan	.....
Tele. Room	.....
Miss Holmes	.....
Miss Gandy	.....

b6
b7C

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATIONS SECTION

MAR 22 1967

FBI WASH DC

TELETYPE

FBI MILWAUKEE

630PM URGENT 3/22/67

TO DIRECTOR (92-3116) ATTN: T.J. MC ANDREWS, DIVISION NINE
FROM MILWAUKEE (94-316) 1P
FRANK PETER BALISTRIERI, AR. OO MILWAUKEE.

A USA [redacted] EDW, MILWAUKEE, WHO IS

PROSECUTING BALISTRIERI FEDERAL INCOME TAX TRIAL, SPRINGFIELD,
ILLINOIS ADVISED LATE PM TODAY AS FOLLOWS:

FINAL ARGUMENTS BY GOVERNMENT AND DEFENSE, REBUTTAL AND
INSTRUCTIONS TO JURY BY USDJ OMER T. POOS, PRESIDING,
CONSTITUTED TODAYS ENTIRE PROCEEDINGS.

CASE TURNED OVER TO JURY FIVE ZERO FIVE PM LOCAL TIME.
IF JURY DOES NOT REACH A VERDICT BY MIDNIGHT, THREE TWENTY-
TWO SIXTYSEVEN JUDGE POOS HAS INSTRUCTED JURY TO RETIRE FOR
NIGHT AND AGAIN BEGIN DELIBERATIONS EARLY AM THREE TWENTYTHREE
SIXTYSEVEN.

EX-103

REC-35

EARLY AM THREE TWENTYTHREE
92-3116-519

BUREAU WILL BE IMMEDIATELY ADVISED WHEN VERDICT RETURNED.

END

15 MAR 24 1967

RAM

FBI WASH DC

59 MAR 29 1967

Mr. Tolson	_____
Mr. DeLoach	_____
Mr. Mohr	_____
Mr. Wick	_____
Mr. Casper	_____
Mr. Callahan	_____
Mr. Conrad	_____
Mr. Felt	_____
Mr. Gandy	_____
Mr. Glavin	_____
Mr. Quinn	_____
Mr. Rosen	_____
Mr. Tavel	_____
Mr. Trotter	_____
Pete. Room	_____
Miss Holmes	_____
Miss Gandy	_____

b6
b7C

F B I

Date: March 24, 1967

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL
(Priority)

TO : DIRECTOR, FBI Attn. T. J. McAndrews, Division 9

FROM: SAC, Milwaukee (66-950)

JUNEFRANK PETER BALISTRIERI
AR

Re Milwaukee Airtel to Bureau 3-20-67.

On 3-24-67, Attorney [redacted] representing the State of Wisconsin in the State vs. WILLIAM COVELLI, who is charged with perjury and false swearing, telephonically contacted SAC, Milwaukee, and advised he is currently hospitalized and will not be able to appear in Kenosha County, Wis. State Court, as scheduled, 3-27-67.

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[redacted] advised he informed Circuit Judge Eugene Baker, Kenosha County, Wis., of his illness and unavailability. Judge Baker therefore rescheduled the COVELLI matter for 9:30 A.M., 3-31-67.

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b7C

At the request of Attorney [redacted] USA James B. Brennan, EDW, Milwaukee, was advised of the delay.

Bureau will be kept advised of all pertinent developments re COVELLI matter.

3 - Bureau (Air Mail)(Registered) (cc William Covelli file -
1 - Milwaukee (66-950) Bufile 162-777)
JEO:mcs
(4)

REC-75

MAR 25 1967

Approved: PM Sent _____

Special Agent in Charge

The Attorney General

March 24, 1967

Director, FBI

1 - Mr. DeLoach
1 - Mr. Gale
1 - Mr. McAndrews
1 - Mr. Leggett
1 - Mr. Stefanak

GILBERT LEE BECKLEY,
ALSO KNOWN AS:

ALSO KNOWN AS:

ALSO KNOWN AS;
INTERSTATE TRANSPORTATION IN
AID OF RACKETEERING; CONSPIRACY

FRANK PETER BALISTRIERI
ANTI-RACKETEERING

In connection with recent disclosures made by the Department concerning our microphone coverage in above-captioned cases, it is noted that in both instances the court ruled this coverage did not adversely affect the prosecution of the case.

Balistrieli, who was tried on Federal income tax evasion charges in Federal District Court in Springfield, Illinois, was found guilty on two counts on March 23, 1967.

Beckley and two associates were found guilty on March 22, 1967, on all counts in United States District Court, Miami, Florida, in connection with violations of the Interstate Transportation in Aid of Racketeering - Gambling Statute.

The foregoing is being brought to your attention as examples of cases wherein successful prosecution was not vitiated by reason of the fact that microphone coverage had been maintained.

98-3116

NOT RECORDED

1 - The Deputy Attorney General

47 MAR 27 1967

1 - Mr. Fred M. Vinson, Jr.
Assistant Attorney General

1 - Mr. Mitchell Rogovin
Assistant Attorney General

79 30 1967

NOTE: The foregoing is submitted pursuant to the Director's instructions to Assistant Director Gale on 3/24/67.
FJS:sga (13)

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. DeLoach

DATE: March 23, 1967

FROM : J. H. Gale

Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

SUBJECT: DEPARTMENT'S DISCLOSURES OF
FBI ELECTRONIC SURVEILLANCES
HAVING A BEARING ON PROSECUTIONS

Reference is made to memorandum J. H. Gale to Mr. DeLoach, March 15, 1967, which briefly summarized the circumstances in the 16 cases in which the Department has made court disclosures regarding past FBI electronic surveillance coverage.

Included among these cases was the Interstate Transportation in Aid of Racketeering prosecution of Gilbert Lee Beckley, nationally prominent gambling figure, in Florida. As indicated in the referenced memorandum, the Department had made disclosure of FBI electronic surveillance coverage of Beckley at the beginning of his trial. After hearings on a motion of the defense to suppress, the court instructed that the trial proceed. On March 22, 1967, Beckley, along with two associates, were convicted and are currently awaiting sentencing.

Another case included was the income tax evasion prosecution of Frank Balistrieri in United States District Court, Springfield, Illinois, in which the Government had also made disclosures regarding FBI electronic surveillance coverage of Balistrieri. Here again, after hearings on a motion to suppress, the trial judge instructed that proceedings continue. On March 23, 1967, Balistrieri was convicted and is currently awaiting sentence.

No new disclosures of this type have been made since the date of referenced memorandum, nor have there been any major developments in other cases in which disclosures had previously been made with the exception of the Beckley and Balistrieri cases, as noted above.

ACTION: For information.

1 - Mr. DeLoach

1 - Mr. Sullivan

1 - Mr. Mohr

1 - Mr. Gale

1 - Mr. Wick

1 - Mr. McAndrews

1 - Mr. Casper

1 - Mr. Andrews

1 - Mr. Rosen

1 - Mr. Emery

TJE:tjm (10)

NOT RECORDED

170 MAR 30 1967

MTO

F B I

Date: 3/27/67

Transmit the following in _____

(Type in plaintext or code)

Via AIRTELAIR MAIL and REGISTERED MAIL
(Priority)

TO : DIRECTOR, FBI
ATTN: T. J. MC ANDREWS
DIVISION 9

FROM : SAC, MILWAUKEE (66-950) J U N E

SUBJECT: FRANK PETER BALISTRIERI

Re: Milwaukee airtel to Bureau dated 2/27/67.

On 3/27/67, USA JAMES B. BRENNAN, EDW, Milwaukee, advised that he wrote a letter to Mr. MITCHELL ROGOVIN, Assistant Attorney General, Tax Division, Washington, D.C., concerning the bills presented to the Milwaukee Office from the Wisconsin Telephone Company.

Mr. BRENNAN stated that prior to this writing to Mr. ROGOVIN he telephonically contacted him at the Department on 2/27/67. During this telephone conversation with Mr. ROGOVIN, Mr. BRENNAN was advised that the Department had had a similar matter come up in prior trials. Mr. ROGOVIN stated at that time he would require a little time to conduct some research into the matter of the Government paying for post billing to the Federal Bureau of Investigation.

Mr. BRENNAN stated that as soon as Mr. ROGOVIN acknowledges his letter of 3/1/67, he would immediately advise the Special Agent in Charge.

The Bureau will be kept advised of developments regarding this matter.

③ - Bureau (AM) (RM)
2 - Milwaukee (66-950)

JEO:mks
(5)

REC-9 92-3116-521

ST-105

MAR 29 1967

NINE

Approved: 55 PT

Sent _____ M Per SPEC. MAIL RM.

6 APR 6 1967 Special Agent in Charge

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION
MAR 23 1967

FBI WASH DC

TELETYPE

FBI SPRNGFLD

1122AM URGENT 3-23-67 DMJ

TO DIRECTOR (92-3116)

FROM SPRINGFIELD (92-209)

FRANK PETER BALISTRIERI, AKA. AR

RE SPRINGFIELD TELEPHONE CALL TO MR. THOMAS J.
MC ANDREWS, SPECIAL INVESTIGATIVE DIVISION, THIS DATE.

ON THIS DATE JURY, SPRINGFIELD, RETURNED GUILTY VERDICT
AGAINST SUBJECT ON COUNTS TWO AND THREE OF THE INDICTMENT
FOR INCOME TAX EVASION. COUNT ONE FOR CONSPIRACY WAS
DISMISSED.

DEFENSE MADE VERBAL MOTION FOR NEW TRIAL. DEFENSE
GIVEN THIRTY DAYS TO FILE BRIEF IN SUPPORT OF MOTION.
MILWAUKEE ADVISED BY AIRMAIL.

RUC.

REC-27

42-316-522

12 APR 5 1967

END

CORR: TIME SHOULD BE 1133AM.

GBAP

FBI WASH DC

P

Mr. Tolson
Mr. DeLoach
Mr. Mohr
Mr. Wick
Mr. Casper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Gale
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

UNITED STATES GOVERNMENT

Memorandum

TO : MR. DE LOACH

FROM : J. H. GALE

SUBJECT: FRANK PETER BALISTRIERI
ANTI-RACKETEERING

DATE: March 23, 1967

Uns
Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

The above-captioned case involves Milwaukee hoodlum Frank Peter Balistrieri who has been tried on Federal income tax evasion charges in Federal District Court at Springfield, Illinois. Prior to trial of this case the Department divulged to the court and to defense attorneys the fact that we had previously had microphone coverage on Balistrieri [redacted] and one of his defense attorneys, Dominic Frinzi. Frinzi is a defense attorney for various hoodlums in the Milwaukee area.

SAC Paul Fields of the Milwaukee Office has advised that a verdict of guilty was returned this morning against Balistrieri on two counts. These counts involve his income tax for years 1959 and 1960.

The above is another case in which the Department revealed our previous microphone coverage; however, the court ruled that it had no effect on the prosecution.

ACTION:

This is for information.

- 1 - Mr. DeLoach
- 1 - Mr. Wick
- 1 - Mr. Gale
- 1 - Mr. McAndrews
- 1 - Mr. Leggett

CHS:dlb

-6-

EX 106

REC-71

92-3116 523

APR 6 1967

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F B I

Date: 3/20/67

Transmit the following in

AT RTEL.

(Type in plaintext or code)
AIR MAIL REGISTERED

V

(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE
SUBJECT: FRANK PETER BALISTRIERI AR

ReMI-airtel to Bureau 3/15/67.

Enclosed for Bureau is one Xerox copy of letter addressed to
DOMINIC H. FRINZI, Milwaukee Attorney, from Honorable M. EUGENE
BAKER, Circuit Judge, Kenosha County, Wisconsin, dated 3/15/67.

FRINZI is representing WILLIAM COVELLI in state court in motion to suppress evidence in perjury and false swearing before court.

On 3/27/67 SA [REDACTED] will appear in state court
Kenosha County, Wis. before Judge BAKER to testify in COVELLI
matter.

On 3/20/67 USA JAMES B. BRENNAN, EDW, Milwaukee, advised SA [REDACTED] will be accompanied at motion hearing by an Asst. USA of his office and that testimony of SA [REDACTED] will be limited to COVELLI matter in that SA [REDACTED] is knowledgeable concerning an electronic surveillance of law office of DOMINIC FRINZI from 4/22/63 to 10/2/63, and that SA [REDACTED] did not overhear FRINZI in conversation with WILLIAM COVELLI, nor did he overhear any conversation resulting from above referred to surveillance concerning WILLIAM COVELLI.

Bureau will be kept advised of all pertinent developments
re COVELLI matter.

XEROX

EX-113

APR 6 1967
3 Bureau AM RM (encl. -1)
1-Milwaukee
JEO:mk
(4) *CLOSURE*

(cc: William Covelli file
(Bufile 162-777))

MAR 22 1967

1-Milwaukee
JEO:mk
(4)

Approved: EE

Sent _____ M Per _____

6 APR 11 1967 Special Agent in Charge

RECEIVED

MAR 16 1967

United States Attorney
Eastern District of Wisconsin

March 15, 1967.

Mr. Dominic H. Frinzi, Attorney,
Suite 7144, 161 West Wisconsin Ave.,
Milwaukee, Wisconsin.

Dear Mr. Frinzi:

I have your letter of March 9th, 1967, copies of which were apparently sent to Mr. Croak and Mr. Brennan. I think you have misinterpreted my letter if you have concluded that I was attempting to foreclose your investigation of the question as to whether or not evidence to be used against your client was obtained from electronic surveillance. The purpose of my letter was to report to you and [redacted] [redacted] the facts with respect to the right of [redacted] to testify upon the single issue that would have materiality in the above entitled case. I felt then and I feel now that you must decide on the facts I gave you whether or not you felt it was worthwhile to have a further hearing. The only condition I have laid down is that I do want the trial to proceed in the case of State vs Covelli upon the date we have agreed upon.

I inform you and other counsel that I am reserving the afternoon of March 27th, 1967, from 2:00 o'clock on to permit you to proceed under your order to show cause relating to the problem of evidence obtained from an electronic surveillance. I am sending copies of this letter to [redacted] and Mr. Brennan so that they may be advised of the date and so that necessary parties may be present and that we may then conclude that phase of the trial.

Respectfully yours,

M. Eugene Baker
Circuit Judge

cc: [redacted]

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Milwaukee, Wis.

Mr. James P. Brennan,
U. S. Attorney, Post Office Bldg.
Milwaukee, Wis.

MEB-JEB

92-3116-524
ENCLOSURE

FBI

Date: 3/15/67

Transmit the following in _____
(Type in plaintext or code)

Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI ATTN: T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

ReMI-airtel to Bureau 2/28/67 and Milwaukee telephone call to Bureau 3/15/67.

Enclosed herewith for Bureau is 1 Xerox copy of letter addressed to the Honorable M. EUGENE BAKER, Circuit Judge, Kenosha, Wis., dated 3/9/67 from Milwaukee attorney DOMINIC H. FRINZI, who is representing WILLIAM COVELLI in state court in motion to suppress evidence in perjury and false swearing case before the court. It is noted FRINZI apparently intends to call SA [redacted] at a future date in this case for testimony.

Bureau will be kept advised of all pertinent developments re COVELLI matter.

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 XEROX

APR 10 1967

ENCLOSURE
(encl. -1)

3-Bureau AM RM
1-Milwaukee
JEO:mk
(4)

XEROX CRG.DTD

C. C. Wick

Ladd

REC-82 G 316 - 508

■ MAR 17 1967

Approved: PAK
55 APR 17 1967 Special Agent in Charge

Sent _____ M Per _____
SPEC. MAIL

71-
1

FRINZI, CATANIA & NEUBECKER

Attorneys at Law

DOMINIC H. FRINZI
NICHOLAS C. CATANIA
EDWARD F. NEUBECKER
THOMAS J. ALIOTA

DOMINIC H. FRINZI
Court Commissioner

161 WEST WISCONSIN AVENUE
Suite 7148
MILWAUKEE, WISCONSIN 53203

March 9, 1967

Telephone:
276-3115

RECEIVED

MAR 13 1967

Honorable M. Eugene Baker,
Circuit Judge, Branch 1,
Court House,
Kenosha, Wisconsin. 53140

United States Attorney
Eastern District of Wisconsin

Re: State vs. Covelli.

Dear Judge Baker:

It appears from your letter of February 27th that the Department of Justice will permit [redacted] to testify regarding information that he may or may not have concerning Mr. Covelli. You also indicate that [redacted] has filed an affidavit and you seem to indicate that for all intents and purposes this closes the matter.

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However, I believe that we have a full right to examine [redacted]
[redacted] under oath concerning the issue of illegal evidence and we certainly would not be satisfied with his fragmentary affidavit concerning Mr. Covelli.

You also indicate that I have the logs kept in connection with the surveillance and that [redacted] would have nothing further to add. I might well inform the Court that these logs are not true representations of what occurred in my office and do not in any way coincide with my office records concerning who I did or did not speak to during the period of surveillance.

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I might also add that [redacted] previously testified in another proceeding that "the installation had been removed" from my office. However, just last week we discovered otherwise -- that two sets of live wires which were undoubtedly used for surveillance were still present in my office. We also discovered that more than one microphone had been used and that there is a serious question of a possible telephone tap. It is my feeling that this information does not coincide with [redacted] previous testimony, and in the best interests of my client I certainly am not in a position to foreclose this matter on the purported affidavit of [redacted]

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I respectfully further remind the Court that [redacted] of the Attorney General's office was subpoenaed to testify and I certainly want the opportunity to examine him under oath.

ENCL

92-3116-525

FRINZI, CATANIA & NEUBECKER

Attorneys at Law

DOMINIC H. FRINZI
NICHOLAS C. CATANIA
EDWARD F. NEUBECKER
THOMAS J. ALIOTA

DOMINIC H. FRINZI
Court Commissioner

161 WEST WISCONSIN AVENUE
Suite 7148
MILWAUKEE, WISCONSIN 53203

Telephone:
276-3115

3/9/67

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Honorable M. Eugene Baker.

With these things in mind I respectfully request that the Court set this matter down for hearing, which would merely be a continuation of our last hearing.

If the Court requires any further information, please advise.

Respectfully,

Dominic H. Frinzi

Dominic H. Frinzi

dhf/eb

RECEIVED

MAR 13 1967

United States Attorney
Eastern District of Wisconsin

MI 94-316

LEADS

SPRINGFIELD

AT SPRINGFIELD, ILLINOIS.

Will report ruling of USDC, SDI, at Springfield, on verbal motion by defense attorney for FRANK BALISTRIERI, requesting a new trial. Defense counsel was given 30 days (from date of 3/23/67, when BALISTRIERI was convicted on two counts of Federal Income Tax evasion) to file briefs in support of the oral motion.

Will report any other motions or appeals which defense counsel might file on behalf of BALISTRIERI as a result of the guilty verdict.

Will report sentencing of BALISTRIERI on the two counts of Federal Income Tax evasion.

MILWAUKEE

AT MILWAUKEE, WISCONSIN.

Will continue to follow and report activities of subject as furnished by logical informants and sources. No active investigation will be conducted which might jeopardize the Federal Income Tax conviction of BALISTRIERI while any motions or appeals relating to the conviction are pending or anticipated.

ADMINISTRATIVE:

Information contained in communications to the Bureau since the date of referenced report including news clippings is not being repeated in administrative pages of instant report and is not being set out in the details of this report for the information of the U. S. Attorney if not suitable for inclusion in the details for reasons such as possible compromise of valuable informants and information already available to the United States Attorney in the IRS Income Tax case.

MI 94-316

<u>Identity</u>	<u>Date Contacted</u>	<u>Contacted By</u>
MI T-10 is [redacted] [redacted]	3/8/67	SA [redacted]

MI T-11 is [redacted] [redacted]	2/28/67	SA CARLYLE N. REED SA [redacted]
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[redacted] whose identity
is protected at his request. He
volunteered his information.

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MI 94-316

As the Bureau is fully aware, under the Department's full disclosure policy, present and former Bureau Agent personnel testified in the subject's Federal Income Tax trial that there was electronic surveillance of subject's office at Milwaukee, Wisconsin, as well as other such coverage of associates of subject.

INFORMANT INFORMATION NOT INCLUDED
IN THE DETAILS OF REPORT

On 3/20/67, [redacted] advised as follows:
On 3/19/67, informant was [redacted]

[redacted] informant as to what was going on.
Informant said [redacted]

[redacted] said he had not seen [redacted] (also a Milwaukee LCN family member) lately. Informant noted that there have been no new developments regarding [redacted]

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[redacted]
As has been previously reported, informant has [redacted]

INFORMANTS

<u>Identity</u>	<u>Date Contacted</u>	<u>Contacted By</u>
MI T-1 is [redacted]	3/9/67	SA CARLYLE N. REED SA [redacted]
MI T-3 is [redacted]	2/28/67, 3/14/67, 3/20/67	SA CARLYLE N. REED SA CARLYLE N. REED SA CARLYLE N. REED
MI T-4 is [redacted]	3/8/67	SA CARLYLE N. REED SA [redacted]
MI T-8 is [redacted]	3/8/67	SA [redacted]

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1 - United States Attorney, Milwaukee (RM)

Report of: SA CARLYLE N. REED **Office:** Milwaukee
Date: April 18, 1967

Field Office File #: MI 94-316 **Bureau File #:** 92-3116

Title: FRANK PETER BALISTRIERI

Character: ANTI-RACKETEERING

Synopsis: On 3/23/67, in USDC, SDI, Springfield, Illinois, jury returned verdict of guilty against subject BALISTRIERI on counts two and three of indictment for Federal Income Tax evasion and count one for conspiracy was dismissed. Defense counsel made verbal motion for a new trial. Defense given 30 days to file brief in support of this motion. Identities of certain witnesses who testified for subject or who were associated with BALISTRIERI set out. These individuals identified as hoodlums or associates of hoodlums. Possible illegal activities and sources of funds of subject, along with contacts and activities of subject also set out.

- P -

DETAILS:

FEDERAL INCOME TAX TRIAL

Under date of March 23, 1967, the Springfield, Illinois, Division of the FBI reported the following concerning FRANK PETER BALISTRIERI's Federal Income Tax trial at Springfield, Illinois:

On March 23, 1967, the Federal jury hearing the BALISTRIERI case in the Southern District of Illinois at Springfield, returned a guilty verdict against BALISTRIERI on Counts Two and Three of the indictment for income tax evasion. Count One for conspiracy was

MI 94-316

bits of information that he has received that among the bookies in Milwaukee, possibly only two of them, [redacted] [redacted] are not tied in with FRANK BALISTRIERI, and therefore, would not be giving BALISTRIERI a cut on their action.

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At this same time this same source mentioned that apparently FRANK BALISTRIERI has been very worried of late and under considerable mental and physical strain because of his Federal Income Tax trial which was then in progress. This source pointed out that if FRANK BALISTRIERI has any thoughts or ideas of stepping down from his position as boss of the local syndicate or outfit (LCN), his father-in-law, JOHN ALIOTO, would not welcome this and take a chance on an outsider coming into Milwaukee to run things.

On March 20, 1967, MI T-3 referred to the news reports on the weekend of March 17-18, 1967, when an apartment occupied by ANTHONY CEFALU in the 800 Block of North 27th Street, Milwaukee, was raided by IRS Agents at which time evidence was seized by search warrant, such as betting tickets, notes and other material indicative of a betting operation. MI T-3 advised that this place operated by CEFALU is commonly referred to as "The Office" and is a central point for making book. This source said that FRANK BALISTRIERI has a piece of this gambling operation which in the past has been handled through BALISTRIERI's lieutenant, STEVE DE SALVO.

The Milwaukee "Outfit" and Related Information

It should be noted that in the past reliable sources have identified the so-called "Outfit" in Milwaukee, as being the same as the organization known as the La Cosa Nostra (LCN).

On March 8, 1967, MI T-10 furnished the following information when asked whom he considered to be the boss of the "Outfit" in Milwaukee:

MI 94-316

dismissed. BALISTRIERI's defense made a verbal motion for a new trial after which the court granted the defense thirty days to file a brief in support of the motion.

On March 8, 1967, MI T-4 advised that in the past week or two, FRANK BALISTRIERI reportedly made a statement to the effect that up to that time his Federal Income Tax trial had cost him \$80,000.00. This source was not in a position to comment on the veracity of this statement.

Part one, page five, of the March 7, 1967, final edition of the "Milwaukee Sentinel," a Milwaukee, Wisconsin, daily newspaper, reported, in part, the following under a Springfield, Illinois, dateline concerning BALISTRIERI's Federal Income Tax trial:

"Frank P. Balistreri signed the names of five other persons to certificates, bank records and tax records, a handwriting expert testified in federal court here Monday.

"The testimony would link Balistreri, a Milwaukee night club operator on trial for tax evasion, to four firms in which the government maintains he had a financial or controlling interest.

"The expert, Edwin C. Schroeder, Indianapolis, Ind., an examiner of questioned documents, testified that 25 different signatures in which the five names were used were in the defendant's handwriting.

"The names, he said, were those of Rudolph Porchetta, Stephen Di Maggio, Sebastian Balistrere, Peter Balistrieri and Santo Curro.

"Schroeder testified:

"Porchetta's name appeared on a certificate filed with the state of Wisconsin and newly elected officers of Melody Lane, Inc., a firm which distributed coin operated amusement devices. The grand jury indictment of Balistrieri charged that he controlled this firm.

MI 94-316

"Sebastian Balistreri's name appeared on several documents in connection with Midwest Scrap Metal Co., a firm which the indictment asserts the defendant had a financial interest.

"Peter Balistreri's name appeared on records of the Tradewinds Inc., also known as The Pub, Inc., and Gallagher's, Inc., 829 N. 3rd st. The indictment asserts that Balistreri had a financial interest in this firm.

"Curro's name was signed as an endorsement of a check.

"The indictment claims that officers of firms in which the defendant had an interest were 'purely nominees, dummies and straws,' set up to conceal Balistreri's interest, and that the firms' records were kept so as to hide large financial transactions."

During the course of the FRANK BALISTRERI Federal Income Tax trial there were indications that PETER J. GRANATA, Chicago, Illinois, might appear as a defense witness. The FBI, Chicago, identified PETER J. GRANATA as a former member of the Illinois State Legislature, who, in 1965, when he was not a member of that legislature, was in Springfield, Illinois, contacting acquaintances in the State Legislature on behalf of efforts of organized criminals in Chicago to defeat anti-crime legislation then under consideration by the General Assembly. GRANATA was also identified, in some instances, by his own admission, as an acquaintance of a number of top leaders in organized crime in the Chicago, Illinois, area, some of whom are now deceased.

During the course of the trial, the following were included among witnesses for BALISTRERI or were identified as being associated with BALISTRERI:

MI 94-316

[redacted]
Local 200, Milwaukee, Wisconsin, of the Teamsters Union and a general organizer for this union, who testified [redacted] BALISTRIERI between 1959 and 1965.

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[redacted]
salvage businessman, who testified that he has been a social acquaintance of FRANK BALISTRIERI [redacted]

SEBASTIAN (BUSTER) BALESTRERE, Kansas City, Missouri, who formerly resided at Milwaukee, Wisconsin.

AUGUST CHIAVEROTTI, Milwaukee, Wisconsin.

SANTO CURRO, Milwaukee, Wisconsin.

PETER BALISTRIERI, brother of FRANK BALISTRIERI.

RUDOLPH PORCHETTA, Milwaukee, Wisconsin.

In the past, MI T-3 and/or MI T-4 have identified [redacted] as associates of Milwaukee hoodlums, and CHIAVEROTTI, CURRO, PETER BALISTRIERI and RUDOLPH (RUDY PORCHETTA) as Milwaukee hoodlums. MI T-3 and MI T-4 have identified SEBASTIAN (BUSTER) BALESTRERE as organizer and enforcer in the hoodlum syndicate or organization in Milwaukee under the control of FRANK BALISTRIERI when BUSTER was in Milwaukee several years ago.

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ALLEGATIONS OF POSSIBLE ILLEGAL ACTIVITIES

On February 28, 1967, MI T-11 advised as follows:

LEROY BELL, Negromale, is on good terms with and contacts FRANK BALISTRIERI, who, according to this source could conceivably be getting a cut from BELL's activities in the field of prostitution and possibly gambling. MI T-11 noted that LEROY BELL is a pimp who runs the Hop Inn in Milwaukee.

MI 94-316

On February 28, 1967, MI T-3 furnished the following:

[redacted] is a local Milwaukee hoodlum who has been operating a craps and poker game at [redacted] Milwaukee. This game was being run on a commercial basis and was raided by the Milwaukee Police in late March of 1967, at which time [redacted] and some fourteen other individuals were arrested at this gambling joint. MI T-3 said that although not definitely known, there is a possibility that FRANK BALISTRERI may have put his "ok" on this game and if so, BALISTRERI would be getting a cut of the house profits which allegedly have been running as high as two to three thousand dollars gross take per week. This source said that included among players in this game from time to time was [redacted]
[redacted]

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On March 8, 1967, MI T-4 advised that on the night of March 3, 1967, there was a dinner party at FAZIO's on Fifth Street in Milwaukee, celebrating and in honor of LOUIS FAZIO's pardon by the Governor of Wisconsin. FAZIO had been on parole from the State Prison after conviction on a murder charge. This source noted that FRANK BALISTRERI made a late appearance at this party attended by one hundred or more guests, many of whom were local hoodlums and gamblers. FRANK BALISTRERI was accompanied at this time by WILLIAM "WEASER" COVELLI and JOHN RIZZO, hoodlums from the Kenosha-Racine, Wisconsin, area, who, of late, were working for BALISTRERI in his Milwaukee nightclubs.

Regarding the craps and poker game being operated by [redacted] at [redacted] Milwaukee, MI T-4 advised he had heard that [redacted] may have been trying to get FRANK BALISTRERI to bank roll a part of the total funds necessary to keep this game going. This source did not know if BALISTRERI actually has any money in this game.

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Regarding sports book operations in Milwaukee, MI T-4 advised that in his opinion, based upon various

MI 94-316

This source said that the boss is FRANK BALISTRIERI and his lieutenant is STEVE DE SALVO, who might also be described as BALISTRIERI's enforcer.

On March 20, 1967, MI T-3 advised as follows:

On the night of March 3, 1967, [redacted] (phonetic), a Chicago "Outfit" man who is a close associate of FELIX "Milwaukee Phil" ALDERISIO, a prominent figure in the Chicago "Outfit," was in contact with FRANK BALISTRIERI in Milwaukee. This source did not know the purpose of [redacted] appearance in Milwaukee. The source speculated that [redacted] may have come up from Chicago to cut up some money. In this regard, FRANK BALISTRIERI had at about this time allegedly made statements that he has all the money he wants (despite the heavy financial drain on him in connection with his Federal Income Tax trial.) MI T-3 pointed out that in view of this heavy financial drain, there could very logically be a financial tie between BALISTRIERI and ALDERISIO.

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Nightclub Operation

On March 9, 1967, MI T-1 informed as follows:

There has been little or no change of late regarding patronage and volume of business at FRANK BALISTRIERI's downtown Milwaukee nightclubs which are five in number, including The Scene, LeBistro, The Downtowner, The Ad Lib and Gallagher's. This source said he has gathered the impression members of the LCN believe that FRANK BALISTRIERI is pressed for money at the time, particularly in view of his expenses in connection with his income tax trial.

Miscellaneous

On March 8, 1967, MI T-8 advised as follows:

This source attended a party held at Fazio's Restaurant on Fifth Street in Milwaukee, celebrating LOUIS FAZIO's pardon by Wisconsin Governor WARREN P. KNOWLES.

MI 94-316

Source noted that this party was attended by practically all of the "hoods" in Milwaukee, including FRANK BALISTRERI, his brother, PETER, STEVE DE SALVO, and many others.

On February 28, 1967, MI T-3 informed as follows:

FRANK BALISTRERI reportedly spent about a week in the Miami, Florida, area, returning to Milwaukee sometime during the week ending February 26, 1967. The source was not aware of the purpose of this trip. (It should be noted that other sources have reported that at about this time BALISTRERI's attorney, MAURICE WALSH, of Chicago, Illinois, was said to have been in Florida.)

MI T-3 also noted the following:

BALISTRERI's nightclub, The Ad Lib, is losing money. BALISTRERI is quite friendly at the present with [redacted] a Milwaukee iron and steel salvage business operator, and an associate of many Milwaukee hoodlums, including "BLACKIE" BROCCA, who continues to work for [redacted] on a salvage job in Pennsylvania.

On March 10, 1967, MI T-4 furnished the following:

In the last week of February, 1967, FRANK BALISTRERI was at Miami Beach, Florida, and was in the company of FELIX "Milwaukee Phil" ALDERISIO. The reason for the presence of BALISTRERI and ALDERISIO at Miami Beach was unknown to this source. Although not definitely known, this source said there was a possibility that hoodlums from other parts of the country were in the Miami-Miami Beach area at about this same time.

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UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

Milwaukee, Wisconsin
April 18, 1967

Title FRANK PETER BALISTRIERI

Character ANTI-RACKETEERING

Reference Report of SA CARLYLE N. REED
dated and captioned as above
at Milwaukee, Wisconsin.

All sources (except any listed below) whose identities
are concealed in referenced communication have furnished reliable
information in the past.

Insufficient contact has been made with MI T-11
to comment as to the reliability of this source.

DECODED/COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

Tolson	
DeLoach	
Mohr	
Wick	
Casper	
Callahan	
Conrad	
Felt	
Gale	
Rosen	
Sullivan	
Tavel	
Trotter	
Tele. Room	
Holmes	
Gandy	

4:22 AM URGENT 4-1-67 GDO

TO DIRECTOR

FROM MILWAUKEE 312304

J U N E.

WILLIAM COVELLI, AR. ANTI-RACKETEERING

RE-AIRTEL TO BUREAU MARCH 24, 1967.

ON MARCH 31, 1967 SA [REDACTED] ACCOMPANIED BY
~~United States Atty~~ ~~Asst. United States Atty~~ ~~Easter Dist. of Wisc.~~
~~USA JAMES B. BRENNAN AND AUSA THOMAS R. JONES BOTH EDW.~~ MILWAUKEE

APPEARED BEFORE HONORABLE EUGENE BAKER, CIRCUIT JUDGE, KENOSHA CO., WIS., TO TESTIFY ON A MOTION BEFORE THE COURT TO SUPPRESS EVIDENCE, IN THE CASE OF STATE OF WIS., VS. WILLIAM COVELLI, CHARGED WITH PERJURY AND FALSE SWEARING.

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ATTORNEY [REDACTED] REPRESENTED THE STATE OF WIS. AND

ATTORNEY [REDACTED] REPRESENTED DEFENDANT COVELLI.

ATTORNEY [REDACTED] ADVISED THE COURT THAT HE IS NOW REPRESENTING THE DEFENDANT IN PLACE OF ATTORNEY DOMINIC H. FRINZI, WHO FORMERLY REPRESENTED THE DEFENDANT, SINCE ATTORNEY

56 APR 11 1967

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P-316
NOT RECORDED

141 APR 5 1967

12 APR 4 1967

Toison _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 2, FROM MILWAUKEE 312304 JUNE.

[REDACTED] THOUGHT IT QUITE LIKELY THAT HE WOULD HAVE TO CALL ATTORNEY FRINZI TO THE STAND AS A WITNESS IN THE MOTION HEARING.

ATTORNEY [REDACTED] HAD NO OBJECTION TO THE COURT RECOGNIZING ATTORNEY [REDACTED] AS NEW DEFENSE COUNSEL SA [REDACTED] WAS FIRST WITNESS CALLED TO STAND. USA BRENNAN ADDRESSED COURT THAT SA [REDACTED] HAD BEEN GRANTED PERMISSION TO TESTIFY ONLY TO QUESTIONS PERTINENT TO COVELLI TRIAL, I.E. DID SA [REDACTED] OVERHEAR ANY CONVERSATIONS BETWEEN ATTORNEY FRINZI AND DEFENDANT DURING PERIOD OF FBI SURVEILLANCE ON LAW OFFICE OF FRINZI APRIL 1963 TO OCTOBER 1963 AND IF SO, WAS SUCH INFORMATION DISSEMINATED.

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SA [REDACTED] SUBSEQUENTLY TESTIFIED THAT HE DID NOT OVERHEAR ANY SUCH CONVERSATION.

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DEFENSE ATTORNEY TRIED WITHOUT SUCCESS TO ELICIT FROM SA [REDACTED] WHAT SPECIFIC PART HE HAD IN THE FRINZI SURVEILLANCE.

USA BRENNAN OBJECTED TO NON-PERTINENT QUESTIONS ASKED OF SA [REDACTED] AND HIS OBJECTIONS WERE SUSTAINED BY THE COURT.

JUDGE BAKER DISMISSED SA [REDACTED] AFTER TESTIMONY GIVEN

SPECIAL INVESTIGATIVE DIVISION

4/1/67

Bureau Agent testified in state court in connection with motion to suppress brought on behalf of Milwaukee hoodlum Covelli. Agent denied our prior microphone coverage had produced any information pertaining to Covelli. State judge has indicated he will deny motion to suppress and has set trial date for May 16, 1967.

RP

TJA:bkb

K

JM

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

MAR 23 1967

TELETYPE

FBI WASH DC

FBI MILWAUK

238 PM URGENT 3-23-67 JP

DIRECTOR 92-3116, ATT: T.J. MC ANDREWS, DIVISION NINE

MILWAUKEE 94-316 P

FRANK PETER BALISTRIERI, AR; OO:MILWAUKEE

RE MILWAUKEE TELETYPE TO BUREAU, MARCH TWENTY-TWO LAST,
AND MILWAUKEE TELEPHONE CALL TO BUREAU, MARCH TWENTY-THREE,
SIXTY-SEVEN.

AUSA, [redacted] EDW, MILWAUKEE, WHO IS

PROSECUTING BALISTRIERI FEDERAL INCOME TAX TRIAL, SPRINGFIELD,
ILL., ADVISED AM INSTANT DATE AS FOLLOWS: 103 REC-14 92-3116-526
JURY AT TEN THIRTY AM TODAY LOCAL TIME RETURNED A GUILTY
VERDICT ON THE TWO COUNT INDICTMENT OF FEDERAL INCOME TAX
CHARGES FOR CALENDAR YEARS FIFTY-NINE TO SIXTY AGAINST 12 APR 5 1967
BALISTRIERI.

USDJ, OMER T. POOS ORDERED A PRESENTENCE INVESTIGATION
AND RELEASED BALISTRIERI ON ORIGINAL BOND. AUSA [redacted] ADVISED

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APR 1 1967
46

PAGE TWO

THAT SEVERAL JURORS TOLD HIM SUBSEQUENT TO THE JURY VERDICT
THAT THEY WERE NOT IMPRESSED WITH DEFENSE ATTORNEY WALSH'S
PRESENTATION TO THE JURY, ESPECIALLY WHEN WALSH CRITICIZED
AUSA [REDACTED] FOR PRESENTING AN "UNETHICAL" CASE.

MILWAUKEE OFFICE WILL FOLLOW USA, EDW, RE SENTENCING
OF BALISTRIERI.

END

MXS

FBI WASH DC

P 1000
1000
1000
1000

4/11/67

Airtel

REF:

To: SAC, Milwaukee (66-950)

JUNE

From: Director, FBI

FRANK PETER BALISTRIERI
AR

*Johnston
M. J. Mohr*

Reurairtel 4/6/67.

Based on your recommendation and Department's opinion that no legal difficulties might arise from payment to Wisconsin Telephone Company of bills for leased lines used by Bureau in connection with surveillances on Balistrieri, Dominic Frinzi [redacted] authority granted for payment of these charges in accordance with bills submitted by your airtel of 2/20/67.

b6
b7C

You should advise the Bureau when payment has been made.

NOTE: Lease line facilities furnished to our Milwaukee Office by the Wisconsin Telephone Company for use in connection with surveillances on Balistrieri, Frinzi [redacted] originally free of charge. However, following complaints by Frinzi, telephone company concluded it would be necessary to bill the FBI for these facilities in the sum of \$284.50 in order to satisfy Wisconsin state legal requirements.

✓
b6
b7C

By Gale to DeLoach memorandum of 3/1/67 it was recommended and approved that these charges be paid provided the Department and the USA at Milwaukee could see no legal objection to payment of these charges. By airtel of 4/6/67 Milwaukee advised that USA James B. Brennan of Milwaukee has been informed by [redacted] Assistant Attorney General, Tax Division of the Department, that there are no legal difficulties to be foreseen arising from payment of these charges. Milwaukee accordingly recommends that the bills be paid. Authority for this payment is being granted.

JGL:djg NJS
(4)

APR 11 1967
ROUTE IN ENVELOPE
W.E. 11-13-67

MAILED 19
APR 11 1967
COMM-FBI
Tolson _____
DeLoach _____
Mohr _____
Wick _____
Casper _____
Callahan _____
Conrad _____
Felt _____
Gale _____
Rosen _____
Sullivan _____
Tavel _____
Trotter _____
Tele. Room _____
Holmes _____
Gandy _____

APR 25 1967
MAIL ROOM
TELETYPE UNIT

F B I

Date: 4/6/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED
(Priority)*RSD**1-1*

TO: DIRECTOR, FBI | ATTN: MR. T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950) JUNE

SUBJECT: FRANK PETER BALISTRIERI
AR

ReMI-airtel to Bureau 4/27/67.

On 4/6/67 USA JAMES B. BRENNAN, EDW, Milwaukee, stated that on 4/5/67 he was advised by [redacted] Asst. Attorney General, Tax Division of Dept., that the Dept. sees no legal difficulty, civil or criminal, which might arise in connection with payments of Wisconsin Telephone Co. bills for leased lines used by Bureau in connection with surveillances on BALISTRIERI, DOMINIC FRINZI

b6
b7C

In view of foregoing, SAC, Milwaukee, recommends, (1) that the Bureau pay the 3 due bills presented by Wis. Telephone Co., which were furnished Bureau by airtel 2/20/67, and (2) that the bills be paid in amounts set forth in the due bills.

USA BRENNAN to confirm by letter to SAC, Milwaukee, 4/6/67.

EX-103

3 Bureau AM RM
1-Milwaukee
PHF:mk
(4)

*dict. 4/11/67
JGL:dia
(C. WICH)*

3116-527

APR 8 1967

Approved: *PMY* Sent _____
Special Agent in Charge

M. A. Miller

SPEAGEN

UNITED STATES GOVERNMENT

DEPARTMENT OF JUSTICE

Memorandum

TO : [redacted]
Acting Assistant Attorney General
Tax Division

DATE: March 29, 1967
RCP:FGF:CAM:skm
5-85-2146

b6
b7C

FROM : [redacted]
Trial Attorney

SUBJECT: Frank Peter Balistreri
Milwaukee, Wisconsin

Reference is made to the memorandum dated December 22, 1966, from the Director, F.B.I., to the Attorney General and the latter's reply thereto, concerning possible misconduct of [redacted]

I have discussed this matter with Judge Poos, with [redacted] once in the presence of Judge Poos and, on a second occasion, alone, and with Assistant United States Attorney Gimbel, the chief prosecutor of Balistreri. The reason for the discussion with [redacted] will become apparent below.

b6
b7C

[redacted] has been with [redacted] In addition to his duties [redacted] he also [redacted] Last November Judge Poos attended the "Duffy Day" dinner, an affair honoring Judge E. Ryan Duffy, of the Seventh Circuit Court of Appeals, a Milwaukeean. [redacted] Judge Poos to Milwaukee for the occasion.

b6
b7C

[redacted] during that first evening on this trip to Milwaukee visited a recently opened night club known as the Ad Lib which, I understand, features good entertainment. During the evening Frank Balistreri, his son, Joseph, and a third male entered the club. The parties recognized each other; the three joined [redacted] at his table-- he was alone--and Balistreri ordered a round of drinks. [redacted] in turn ordered and paid for a round of drinks. Several drinks were had and [redacted] candidly admits Balistreri paid for most of them.

b6
b7C

The next morning, [redacted] realizing the awkward position in which inadvertently he had allowed himself to be placed and recognizing possible unwarranted embarrassment to his Judge, before whom Balistreri was on trial, informed both Judge Poos and [redacted] about the incident. The Judge and [redacted] corroborate this aspect of [redacted] story.

91 - 316 528

ENCLOSURE

That evening [redacted] deliberately sought out Balistrieri--he located him at a night club known as the Scene--and bluntly told him that he should not read anything more into the accidental but friendly meeting of the prior evening than the fact that [redacted] had a couple of drinks with him. [redacted] accompanied by Balistrieri's son, Joe, immediately left the Scene, went to Victor's Club, had two drinks and then returned to his room alone. The following day he and Judge Poos returned to Springfield. Neither during this visit to Milwaukee nor at any other time was [redacted] "entertained" in Milwaukee night clubs at Balistrieri's expense or invited to Balistrieri's Milwaukee home. Judge Poos corroborates this aspect of [redacted] story.

b6
b7C

Balistrieri, Joseph

I have known [redacted] for the past [redacted] years. On the basis of that familiarity, I accept without reservation his explanation of his alleged entertainment "at Balistrieri's expense at Milwaukee night clubs." I quarrel with no one who may criticize [redacted] judgment in his handling of the chance meeting with Balistrieri or his impetuous action of the next evening. His explanation of the meeting, however, does have the ring of truth about it and his subsequent actions, naive as they may appear to be, are, it seems to me, the reactions of an honest and loyal individual.

b6
b7C

Extensive travel in connection with Government business does present, I can assure you, many hazards. A meeting such as the one referred to herein, innocent and accidental as it may really be, is but one of them. To impute misconduct into one such chance meeting is to engage in silly speculation.

Judge Poos has authorized me to state that he has the utmost confidence in [redacted] integrity and loyalty. I have the same confidence.

b6
b7C

Balistrieri, as you know, now stands convicted on two counts of tax evasion. Our problem now, if it be a problem, is to win an affirmance in the court of appeals.

In view of all of the facts and circumstances set forth herein and considering the facts or, I should say, the lack of hard facts in the Bureau memorandum, I recommend that the Bureau be informed of the results of my contact with Judge Poos regarding this matter and that it be advised that no investigation should be conducted concerning it.

MAR 29 1967 - I agree.

F. G. Folsom

I agree.
F. G. Folsom

UNITED STATES GOVERNMENT

Memorandum

TO : Mr. J. Edgar Hoover
Director
Federal Bureau of Investigation

FROM : Mitchell Rogovin
Assistant Attorney General
Tax Division

SUBJECT: Balistrieri, F. : P-T-en

DEPARTMENT OF JUSTICE

DATE: APR 18 1967

MR:ee
5-85-2146

Mr. Tolson	✓
Mr. DeLoach	✓
Mr. Mohr	✓
Mr. Tavel	✓
Mr. Casper	✓
Mr. Callahan	✓
Mr. Conrad	✓
Mr. Felt	✓
Mr. Gale	✓
Mr. Rosen	✓
Mr. Sullivan	✓
Mr. Trotter	✓
Tele. Room	✓
Miss Holmes	✓
Miss Gandy	✓

I believe, on the basis of the attached memorandum
regarding possible misconduct of [redacted]
that no further inquiry appears necessary.

b6
b7C

Attachment

ENCLOSURE

PROG. 34

APR 18 1967

REC-74

EX-113

18 APR 21 1967

3116 528

51 APR 23 1967

FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE MILWAUKEE	OFFICE OF ORIGIN MILWAUKEE	DATE 4/18/67	INVESTIGATIVE PERIOD 2/28/67 - 4/14/67
TITLE OF CASE FRANK PETER BALISTRIERI, aka		REPORT MADE BY SA CARLYLE N. REED	TYPED BY swb
		CHARACTER OF CASE ANTI-RACKETEERING	

(G) REFERENCES: Report of SA CARLYLE N. REED dated 2/20/67,
at Milwaukee.

- P -

ENCLOSURES

TO THE BUREAU

Two (2) copies of a letterhead memorandum characterizing informants utilized in this report.

TO SPRINGFIELD

Two (2) copies of the above-described memorandum.

Case has been: Pending over one year Yes No; Pending prosecution over six months Yes No

APPROVED <i>FDRB</i>	SPECIAL AGENT IN CHARGE	DO NOT WRITE IN SPACES BELOW	
COPIES MADE: ③ - Bureau (92-3116) (Enc. 2) (RM) 1 - USA, Milwaukee (RM) 2 - Springfield (92-209) (Enc. 2) (RM) 2 - Milwaukee (94-316)	<i>92-3116-529 REC-47 APR-10-67</i> <i>APR 21 1967</i>		

Dissemination Record of Attached Report			
Agency	CC	AAG, Criminal Division,	Notations <i>WIRE STATE SERV</i>
Request Recd.			
Date Fwd.	Organized Crime and Racketeering		
How Fwd.	Section, Room 2524		
By			

54 APR 28 1967

1d+d

A
COVER PAGE

F B I

Date: April 17, 1967

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL - REGISTERED
(Priority)

TO : DIRECTOR, FBI JUNE

FROM: SAC, MILWAUKEE (66-950)

FRANK PETER BALISTRIERI
ARRe Milwaukee Airtel to Bureau 4-6-67, and Bureau Airtel to
Milwaukee 4-11-67.In accordance with Bureau instructions, a cash payment of
\$284.58 was made on 4-17-67, to [redacted]
Legal Division, Wisconsin Telephone Co., Milwaukee, Wis.A signed receipt was obtained from [redacted] which is being
retained by the Milwaukee office.

3 - Bureau (Air Mail - Registered)

1 - Milwaukee (66-950)

JEO:mcs

(4)

EX-110

C. C. Wick

REC 48

92-316-530

APR 19 1967

25

See
LINEApproved: J.W.K. Sent _____ M Per _____
Special Agent in Chargeb6
b7c

F B I

Date: 4-27-67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO DIRECTOR, FBI (92-3116)
FROM SAC, SPRINGFIELD (92-209)
RE: FRANK PETER BALISTRIERI, aka
AR

For the information of the Bureau and Milwaukee, subject's attorney filed a motion on 4-21-67 for an extension of time to file his motion for a new trial in support of the motion orally made.

On 4-24-67 Departmental Attorney filed a memorandum in opposition to this motion.

USA, Springfield, advised Judge OMER POOS presently on sick leave and not expected to return before May 4 or 5, 1967.

③ - Bureau
2 - Milwaukee (94-316)
1 - Springfield
JTG:VLS
(6)

REC 49

72-5116-531

25 APR 29 1967

—
~~SEARCHED~~ ~~INDEXED~~
~~SERIALIZED~~ ~~FILED~~
~~DONE~~

82 MAY 8 1967
Approved: *[Signature]*

Special Agent in Charge

Sent _____ M Per _____

F B I

Date: 4/26/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL AIR MAIL REGISTERED
(Priority)

TO: DIRECTOR, FBI (92=3116)

ATTN: MR. T. J. MC ANDREWS
DIVISION 9

FROM: SAC, MILWAUKEE (66-950)

JUNESUBJECT: FRANK PETER BALISTRIERI
AR

Re Milwaukee airtels, 2/13/67, 2/20/67, and 2/27/67, and 4/17/67, setting forth details and background concerning discussions with officials of the Wisconsin Telephone Company relative to payment by the Bureau of bills rendered in regard to telephone lines made available to the Bureau in connection with technical coverage.

On 4/25/67, [redacted] Legal Department, Attorney, Wisconsin Telephone Company, contacted SAC, Milwaukee, at the Milwaukee Office to discuss additional considerations in regard to this matter. It is noted that the rendering of bills for such telephone lines was initially discussed on the basis that the availability of such lines to the Bureau had become public knowledge in the FRANK BALISTRIERI income tax trial in Springfield, Illinois. As regards coverage of FRANK BALISTRIERI, DOMINIC FRINZI, one of BALISTRIERI's attorneys, [redacted]

[redacted] it was felt by the Telephone Company officials that in order to bring the Telephone Company into compliance with the Wisconsin State Laws, since FRINZI and others had been openly criticizing the Telephone Company for giving service to the FBI without charging for it, it would be necessary to render bills to the FBI for the service in the above three incidents. [redacted] indicated at that time as noted in re Milwaukee airtel, 2/13/67, that for the present, at least, no charges would be made for other past services which had not come to public notice.

b6
b7C

3 - Bureau (92-3116) (AM-RM)
1 - Milwaukee (66-950)
PHF:duz
(4)

REC-28 B-3116-532
5-
NO APR 28 1967.

T C C- WICK

Approved: my-5

Sent _____ M Per _____

6 MAY 12 Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

It is further noted that the bills in the above three incidents have been paid.

During the discussion on 4/25/67, [redacted] advised that it had come to the Telephone Company's attention that DOMINIC FRINZI actually is planning to institute legal action against the Telephone Company. It is not certain at this time whether the action will be a suit on the basis of violation of civil rights or on the basis of coverage allowed by the Telephone Company amounting to prevention of FRINZI, as telephone subscriber, having private telephone service for which he paid.

[redacted] advised that the legal staff of the Telephone Company are aware, after researching the matter, that in a civil action brought by FRINZI, pre-trial discovery procedures would allow the plaintiff to explore dealings of the Telephone Company with the FBI and other agencies beyond any particular coverage directly affecting the plaintiff (FRINZI). In this situation, telephone company personnel could be required to furnish information which might involve both security and criminal type cases in which telephone lines have been made available in the past. In this event, if no method is found by which the Telephone Company's legal representatives can prevent disclosure of such information, then other past instances of FBI reservation of telephone lines could be publicly disclosed. This would also pin point additional apparent instances wherein the Telephone Company has made service available without cost in violation of Wisconsin State Statutes governing the distribution of telephone line service.

[redacted] stated that in regard to any other instances of line service made available to the FBI than the three above-mentioned specific instances, the Telephone Company's legal staff and management have been considering four approaches:

1. To refrain from rendering any further bills to the FBI and take the calculated risk that any civil action brought might not disclose any additional instances;

- 2 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

b6
b7Cb6
b7C

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

2. Based on the limited information available in Telephone Company files or in the recollection of company personnel involved, to make an over-all estimate of a fair bill for all past service and render same to the FBI;

3. Based on all available information, to figure fair separate bills for any instances known and render these bills separately;

4. An agreement with the FBI that any other telephone line services made available in the past were made available under the impression that they involved security matters of the United States and that the Telephone Company would refrain from rendering any bills regarding any of these instances until such time as the FBI would indicate, concerning particular instances, that no security interest remains which would be adversely affected by the rendering of a bill.

The above four approaches were thoroughly discussed with [redacted] by SAC, Milwaukee, and it was made clear to him that the first proposition appears to be most preferable under the circumstances. He was reminded that at the time past services were made available, no thought was given by either Telephone Company officials or FBI representatives that any charges would be made for such services, but same was being made available on the basis of assisting the Federal Government in carrying out its responsibilities. It was also noted to him that the payment of particular bills currently, actually does not bring the Telephone Company in compliance with Wisconsin State Statutes since Telephone Company officials have been aware of the past services all along and there was no understanding that any bills would be rendered from the outset of the services.

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b7C

It would appear and [redacted] was so advised that if the Telephone Company officials finally concluded that the rendering of future bills is absolutely necessary, then an estimated over-all

- 3 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
(Type in plaintext or code)Via _____
(Priority)

MI 66-950

bill to cover all prior services would be preferable to individual bills, since this would involve less discussion among telephone company employees and less access by accounting department and other employees to identifying information pertaining to cases in which such services were used. It was felt and [redacted] was so advised that the fourth proposition, noted above, would in effect place the FBI in a position of identifying to the Telephone Company specific instances of coverage and furnishing identifying data which may not now be available to the Telephone Company and which could possibly be elicited from Telephone Company personnel in some future legal action. It was likewise noted that some of the past instances of coverage might well involve investigative matters of security interest in which we may never reach a point where possible disclosure of information would not adversely affect security interests. Another point considered here, of which [redacted] was not advised, is the fact that action under the fourth proposition might well entail immediate notification to the Telephone Company that "security" interests of the Government would not be adversely affected by the rendering of bills, at certain locations (other than security cases), which would pin point both security and criminal.

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b7C

Throughout above discussion, the strongly preferable approach of simply not rendering any additional bills until such time as the Telephone Company might be actually and immediately faced with a disclosure problem was emphasized to [redacted]. He was also reminded that Attorney DOMINIC FRINZI had publicly and in the press made threats of suit against the Telephone Company and the Government during the past several months, although no actual indication of same had developed. Also emphasized to him was the undesirability of placing the FBI in a position of furnishing any additional information to the Telephone Company which would tend to identify any past incidents of coverage service which have not already been disclosed.

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b7C

[redacted] advised that no final decision has been reached as to which of the above approaches would be the best for all parties involved, and that when this conclusion is finalized, the Telephone Company would contact the Milwaukee Office of the FBI

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b7C

- 4 -

Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date:

Transmit the following in _____
*(Type in plaintext or code)*Via _____
(Priority)

MI 66-950

and advise in order that consideration may be given to the particular proposition prior to same being formally and in writing presented to the FBI.

Foregoing is furnished for Bureau's information, it being noted that additional bills for telephone line service, as rendered by the telephone company, could involve several instances of technical-type coverage, pertaining both to security case situations and several criminal intelligence-type situations of which the Bureau has been previously advised. In the event telephone company officials re-contact SAC, Milwaukee concerning any of the four proposed actions noted above, the Bureau will be promptly advised with appropriate recommendations.

F B I

Date: 5-5-67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO DIRECTOR, FBI (92-3116)
FROM SAC, SPRINGFIELD (92-209)
RE: FRANK PETER BALISTRERI, aka
AR

Remyairtel, 4-27-67.

On 5-4-67, USDJ, Springfield, Illinois, granted defense motions for delay of time to file motion for new trial. Judge ruled motion must be filed by May 25, 1967.

Springfield will follow.

(3) - Bureau
2 - Milwaukee (94-316)
2 - Springfield
VTH:VLS
(7)

REC 30

92-3116-533

MAY 6 1967

CC: WECB
56 MAY 12 1967Approved: _____ Sent: _____ M Per: _____
Special Agent in Charge

F B I

Date: 5-8-67

Transmit the following in 2
(Type in plaintext or code)Via AIRTEL
(Priority)

TO DIRECTOR, FBI
 FROM SAC, SPRINGFIELD (66-2663)
 RE: FRANK PETER BALISTRIERI, aka
 ELSUR - DISCLOSURE MATTER

Captioned subject convicted USDC, Springfield, Illinois, and awaiting sentence.

On 5-4-67, USDJ, Springfield, Illinois, granted defense motion for delay of time to file motion for new trial. Judge ruled motion must be filed by 5-25-67.

3 - Bureau
 1 - Springfield
 EAS:VLS
 (4)

EX-108

92-3116-533X

REC 29 92-3116-533X

14 MAY 9 1967

SAC:MM

51 JUN 16 1967

Approved: IV Sent _____ M Per _____
Special Agent-in Charge

F B I

Date: 6-7-67

Transmit the following in _____
(Type in plaintext or code)Via AIRTEL _____
(Priority)

TO DIRECTOR, FBI (92-3116, 62-3187)
FROM SAC, SPRINGFIELD (92-209, 66-2663)
RE: FRANK PETER BALISTRIERI, aka
AR

ELSUR - DISCLOSURE MATTER

Re Springfield airtels, 5-5-67 and 5-8-67.

On June 7, 1967, USA, Springfield, advised that hearings for defense motion which were scheduled May 29, 1967, have been reset for June 14, 1967.

Springfield will follow.

- 3 - Bureau
2 - Milwaukee (94-316)
2 - Springfield (92-209, 66-2663)
JTG:VLS
(7)

REC 39

EX-108

21 JUN 9 1967

Approved: 51 JUN 16 1967

Special Agent in Charge

Sent _____ M Per _____

FEDERAL BUREAU OF INVESTIGATION
U. S. DEPARTMENT OF JUSTICE
COMMUNICATION SECTION

JUN 14 1967

FBI SPRNGFLD

TELETYPE

P653PM URGENT 6-14-67 DJK

TO DIRECTOR (92-3116)(62-318)

FROM SPRINGFIELD (92-209)(66-2663) 1P

Mr. Bishop
Mr. Mohr
Mr. Cooper
Mr. Callahan
Mr. Conrad
Mr. Felt
Mr. Goldwater
Mr. Rosen
Mr. Sullivan
Mr. Tavel
Mr. Trotter
Tele. Room
Miss Holmes
Miss Gandy

FRANK PETER BALISTRIERI, AKA. *AR, RACKETEERING* AR, ELSUR - DISCLOSURE MATTER.

RE SPRINGFIELD AIRTEL JUNE SEVEN LAST.

ON JUNE FOURTEEN INSTANT, DEFENSE ATTORNEY FOR SUBJECT PRESENTED MOTION BEFORE U. S. DISTRICT JUDGE POOS, SDI, SPRINGFIELD FOR ACQUITTAL OR NEW TRIAL ARGUING LEADS FOR EVIDENCE USED BY PROSECUTION WERE OBTAINED FROM ILLEGAL SOURCES INCLUDING ILLEGAL SEARCH AND ELECTRONIC EAVESDROPPING DEVICES. DEFENSE ATTORNEY MAURICE WALSH MAINTAINED THAT ALTHOUGH EVIDENCE PRESENTED IN TRIAL WAS OBTAINED FROM LEGAL SOURCES, IT WAS TAINTED. WALSH ALSO CLAIMED THAT BECAUSE CERTAIN TAPES WERE DESTROYED BY FBI, THE PROSECUTION WAS UNABLE TO PRODUCE BURDEN OF PROOF NECESSARY TO CONVICT SUBJECT.

AUSA [redacted] MILWAUKEE, ARGUED ILLEGALLY OBTAINED EVIDENCE WAS STRICKEN BY JUDGE POOS AND NOT USED AS EVIDENCE, CONTENDED ALL EVIDENCE USED IN TRIAL CAME FROM LEGAL SOURCES.

SPRINGFIELD FOLLOWING.

AM COPY MILWAUKEE.

EMXXXX CORR: LINE 9, WORD 3, "BECAUSE".

JUN 16 1967

EEND

5x4 JUN 23 1967 GALE

MR. DELOACH FOR THE DIRECTOR

FBI WASH DC

b6
b7c

F B I

Date: 6/15/67

Transmit the following in _____
(Type in plaintext or code)Via AIRTELAIR MAIL(Priority) *2-A*

TO: DIRECTOR, FBI (92-3116)
 FROM: SAC, MILWAUKEE (94-316) (P)
 SUBJECT: FRANK PETER BALISTRIERI
 AR

On On 6/14/67, U. S. District Judge OMAR T. POOS, Springfield, Illinois, rejected motions for a new trial for BALISTRIERI (LCN Boss in Milwaukee) who was convicted in March, 1967 on evading income taxes in 1959 and 1960.

Judge POOS after his ruling ordered a pre-sentence investigation of BALISTRIERI.

In seeking a new trial MARUICE WALSH, Chicago attorney representing BALISTRIERI, argued that there was an "insufficiency of evidence" to uphold the tax evasion charges. WALSH further argued that information used in the trial was "tainted" because of the Government's use of an electronic device used [redacted] from 1961 to 1962.

Judge POOS in answering WALSH's argument said he thought the court had done "a good job" in keeping such information out of the trial record.

Above submitted for the information of the Bureau.

3 Bureau (92-3116) (RM) (AM)

1 - Milwaukee (94-316)

JEO:duz

(4)

*Co-priorities to maintain
in Special File REC 48
Room per J. B. Kelly
6-30-67*

92-3116-536

4 JUN 17 1967

Approved: 1967 Sent: _____ M Per: _____
 Special Agent in Charge *H.C. Kelly* *N.D.E.*

SPECIAL INVESTIGATIVE DIVISION

6/1 [redacted] 67

Balistrieri, La Cosa Nostra member of Milwaukee, was convicted of income tax violation following microphone disclosure hearing. Defense attorney has now made motion for acquittal or new trial claiming evidence presented was tainted. Government opposed motion. Springfield Office following to determine outcome of motion and will advise Bureau.

D
McA:djg



Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 3, FROM MILWAUKEE 312304 JUNE.

THAT HE DID NOT HEAR ANY CONVERSATIONS BETWEEN THE DEFENDANT AND FRINZI. DEFENSE COUNSEL ATTEMPTED TO OBTAIN PERMISSION FROM THE COURT TO CALL OTHER FBI PERSONNEL TO STAND TO TESTIFY. IN THIS REGARD, DEFENSE COUNSEL STATED THAT GOVERNMENT ATTORNEYS IN THE FEDERAL INCOME TAX TRIAL OF FRANK P. BALISTRIERI, RECENTLY COMPLETED IN SPRINGFIELD, ILL., STIPULATED THAT FBI PERSONNEL, OTHER THAN SA [REDACTED] DID MONITOR FBI SURVEILLANCE OF FRINZI.

b6
b7c

JUDGE BAKER TOLD DEFENSE COUNSEL THAT HE AND FRINZI HAVE HAD AMPLE TIME TO REQUEST ADDITIONAL FBI PERSONNEL AND THAT IN THE OPINION OF THE COURT SUCH A REQUEST AT THIS TIME WAS AN "ELEVENTH HOUR DELAYING TACTIC" THAT HE WOULD NOT GRANT EVEN IF A FORMAL MOTION WERE REQUESTED.

= DEFENSE COUNSEL MADE NO SUCH MOTION, BUT REQUESTED A DELAY IN THE MOTION HEARING FOR AN OPPORTUNITY TO EXAMINE MR. LE ROY DALTON, ASSISTANT TO AG, STATE OF WIS. JUDGE BAKER STATED HE WOULD ALLOW DEFENSE COUNSEL TO EXAMINE MR. DALTON ON APRIL 3, 1967, BUT THAT HE INTENDED TO START THE TRIAL ON THAT DATE.

Tolson _____
 DeLoach _____
 Mohr _____
 Wilt _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 4, FROM MILWAUKEE 312304 JUN E.

DEFENSE COUNSEL THEN REQUESTED A TRANSCRIPT OF THE PRELIMINARY HEARINGS IN THIS MATTER HELD DURING THE LATTER PART OF 1967. AT THIS TIME IT WAS DISCOVERED THAT THE COURT REPORTER HAD NOT AS YET TRANSCRIBED THE PRELIMINARY HEARING TESTIMONY.

AFTER THIS DISCOVERY JUDGE BAKER RESET THE TRIAL DATE FOR MAY 16, 1967.

FOR INFO OF BUREAU, JUDGE BAKER CONFIDENTIALLY ADVISED USA BRENNAN THAT HE WILL DENY DEFENSE MOTION TO SUPPRESS, BUT WILL NOT RENDER A FORMAL OPINION ON THIS UNTIL THE TRIAL DATE.

FOR ADDITIONAL INFO OF BUREAU, MI INDICES CONTAIN THE FOLLOWING INFO IDENTIFIABLE WITH [REDACTED]

[REDACTED] : A PCI OF THE MI OFFICE ADVISED ON FEBRUARY 3, 1965 THAT [REDACTED]

[REDACTED] FRANK P. BALISTRIERI IN MILWAUKEE [REDACTED]

b6
b7C
b7D

[REDACTED] ON SEPTEMBER 26, 1963

Tolson _____
 DeLoach _____
 Mohr _____
 Wick _____
 Casper _____
 Callahan _____
 Conrad _____
 Felt _____
 Gale _____
 Rosen _____
 Sullivan _____
 Tavel _____
 Trotter _____
 Tele. Room _____
 Holmes _____
 Gandy _____

DECODED COPY

AIRGRAM CABLEGRAM RADIO TELETYPE

PAGE 5, FROM MILWAUKEE 312304 JUNE.

[REDACTED] ADVISED THAT [REDACTED] WAS CONTROLLED BY THE HOODLUM SYNDICATE. ON SEPTEMBER 7, 1965, [REDACTED] ADVISED THAT [REDACTED] ATTENDED A PARTY IN MILWAUKEE ON SEPTEMBER 5, 1965 GIVEN BY BALISTRIERI IN HONOR OF HIS SON WHO WAS ENTERING THE PRACTICE OF LAW.

MILWAUKEE WILL REMAIN COGNIZANT OF COVELLI CASE DEVELOPMENTS OF BUREAU INTEREST AND ADVISE RESULTS OF LOCAL PROSECUTION.

RECEIVED: 5:45 AM LRC

cc - Mr. Sullivan & Mr. Logue and

b6
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ENCLOSURE TO BUREAU (92-3116)

PHOTO COPY OF COURT RECORD RE SA [redacted]

AND NEWSPAPER CLIPPING

MIFILE 94-316

b6
b7C

ENCLOSURE
92-3116-450

(Mount Clipping in Space Below)

IRS Agents Armed in '62, Court Is Told

By DAVID D. GLADFELTER
Sentinel Staff Writer

Springfield, Ill. — Internal revenue service (IRS) agents were issued weapons in 1962 on tip that an IRS agent was trying to break into the federal building office of the IRS to steal records in the Frank P. Balistreri tax case, according to testimony in federal court Thursday.

The testimony was given by Donald L. Jackson, a special S agent, and Ernest G. Johannes, a former special agent assigned to the Chicago regional office of the IRS. They were absent.

In other testimony Thursday, the existence was revealed of the third "bugging" device used by the federal bureau of investigation during its scrutiny of Balistreri. The device, a telephone, was hidden in the Wisconsin av. office of a lawyer, whose name was not closed.

An FBI agent and three officials of the Wisconsin Telephone Co. testified that special telephone lines were made available to the FBI to enable it to monitor the bugging devices, but the devices themselves and the monitoring equipment were installed by FBI without knowledge of company.

Jackson was asked to identify notation on his work sheet Oct. 7, 1962, which read: "Used weapons — search low-hurdle ward area."

Jackson explained to Atty. George J. Walsh, representing

Balistreri, that IRS had received information that some body was going to try to break into its federal building office and take the Balistreri records.

Balistreri, '48, a Milwaukee night club operator who lives at 3043 N. Shepard av., is on trial charged with income tax evasion.

Jackson testified that he had received a telephone call from Johannes and at his request issued firearms to two inspectors in the IRS intelligence division office. He said they were stationed there on a Sunday, when the offices were normally closed.

Johannes did not tell him where he received the information, Jackson said. Jackson said he asked Johannes later and was told, "The less I know about it the better."

He said that Johannes gave him the license number of an automobile and told him to drive around the area near the federal building in Milwaukee in an attempt to locate the vehicle. He said he did not locate it.

Jackson said he did not write a report of the incident.

Johannes at first said he could not recall the incident. When questioned about the entry in Jackson's work log, he replied, "I have no idea what this relates to, what this relates to at all."

When informed of Jackson's testimony, Johannes said that an FBI agent named John Gassoway had told him that the IRS office might be broken into.

He said Gassoway had given him the last name only of the person he suspected would break into the office. He said that the last name was that of "an IRS employee who has since left the service."

Johannes said that he and Jackson found out the license number of the employee's car, and he had asked Jackson to watch for the license number.

Both agents testified that there was no attempt to break into the office, and that no records were taken.

"It turned out to be a false rumor?" asked Walsh.

"Right, sir," replied Johannes.

Johannes testified that he had reported the incident to the man who was then chief of the IRS intelligence division, in Milwaukee, Paul Rheaume, and to the office of the IRS regional inspector in Chicago, and had made entries in his diary indicating "confidential" matters.

Asked whether he had told Jackson that the less he knew about the source of the tip the better, Johannes replied, "That's his recollection, not my recollection."

Walsh said he was interested in the incident because "I think this is some more bug business. It's another incident of FBI co-operation with the IRS."

The FBI has admitted conducting electronic surveillance of an office used by Balistreri, at 2559-61 N. Downer av., and at an apartment of Balistreri's bookkeeper, Miss Jennie Alioto, at 1609 N. Prospect av.

Federal Judge Omer Poos has ruled that evidence obtained through the illegal surveillance would be inadmissible.

When Walsh asked Johannes the name of the suspected IRS employee, Franklyn M. Gimbel, assistant United States attorney who is prosecuting the case, objected. He said that "nothing happened—it's just a story."

"It's just a story picked up on the surveillances," Walsh replied. He said he wanted to know the name of the agent to see if any other matters related to the incident appeared on the IRS logs.

(Indicate page, name of newspaper, city and state.)

PART I, PAGE 1
MILWAUKEE SENTINEL
MILWAUKEE, WISCONSIN

Date: 11/4/66
Edition: FINAL
Author: DAVID GLADFELTER
Editor: HARRY SONNEBORN
Title: FRANK P.
BALISTRERI
INCOME TAX

Character:
or
Classification: 5-0
Submitting Office: MILWAUKEE

Being Investigated

90-316-450

Judge Poos told Johannes to give the name to Walsh in confidence. Johannes wrote something on a piece of paper and handed it to Walsh.

Joseph E. O'Connell, special agent for the FBI in Milwaukee, testified that he had arranged for installation of a microphone in the lawyer's office. He said the microphone had been removed sometime during 1963.

He said it had been placed so that the FBI could eavesdrop on confidential information among attorneys in the office and between attorneys and their clients.

The microphone was connected by special telephone lines to the FBI office in the federal building where it was monitored, O'Connell said. It was a type of installation and connection similar to that at the Downer av. office of Ballistrieri, he said.

The microphone in Missioto's apartment was not noted by means of a telephone connection, but via a radio transmitter to another apartment on the same floor where FBI men were stationed, said O'Connell.

The telephone company had been asked to reserve a special phone line for FBI use at the Allito apartment, but the line was not used.

O'Connell said he knew of no electronic surveillances ever having been conducted by the FBI at the homes or offices of two of Ballistrieri's attorneys, mes M. Shellow and Eugene Jenen; at four of Ballistrieri's alleged business places, Galigher's, the Downtowner, the River Tavern and the Roosevelt hotel; or at the homes of three other individuals, Joseph Amici, Santo Curro and Ralph Porchetta.

The latter three are named co-conspirators in a count against Ballistrieri of conspiracy to defraud the government in collection of taxes. That count is pending until after disposition of the two evasion counts. O'Connell said that the FBI did not co-operate with other

government agencies in its bugging operations. He said he did not know whose decision it had been to conduct them.

David Nelson, general traffic manager and former general plant manager for the telephone company, testified that the company would make lines available to the FBI when requested, but would not assist the FBI in hooking up the lines and would not even know whether the lines were being used.

1. /2
2-
(The following was had in open
Court, outside the presence of
the Jury.)

THE COURT: You may call your next witness.

(Witness sworn.)

J O S E P H E. O' C O N N E L L

called as a witness by and on behalf of the Plaintiff
herein, having been first duly sworn, was examined and
testified as follows:

DIRECT EXAMINATION

BY MR. GIMBEL:

Q Could you kindly state your full name and
spell your last name, please?

A Joseph E. O'Connell, O; apostrophe, C-o-n-
n-e-l-l-e.

Q And where do you reside, Mr. O'Connell?

A 8924 West Palmetto Avenue, Milwaukee,
Wisconsin.

Q What is your occupation?

A I'm employed as a special agent by the
Federal Bureau of Investigation.

Q For how long have you been employed by the
F.B.I.?

A I've been employed by the F.B.I. since

Q.E.D.

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92-3116-450

12/2

August 20, 1949.

Q And what is your station of duty?

A My station of duty at the present time is Milwaukee, Wisconsin.

Q For how long have you been stationed as a special agent in Milwaukee, Wisconsin?

A Since June of 1940.

Q And has that employment in Milwaukee been continuous?

A Yes, it has.

Q Can you tell us generally what your duties are as a special agent of the F.B.I.?

A My general duties are investigating matters in which the United States is or may be a party in interest and performing other duties imposed upon me by law.

Q In the course of exercising your duties, Mr. O'Connell, did you have occasion to participate in an F.B.I. investigation of Frank Peter Ballistreri?

A I did.

Q And in connection with that investigation did you have knowledge of an electronic surveillance of the apartment of Miss Jennie Alioto at 1609 North Prospect Avenue?

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12/3

A I do.

Q And can you tell us your recollection of the dates of that surveillance?

A The dates of that surveillance, to the best of my recollection, were for a period of time in 1961 extending into a period of time -- into 1962.

Q Can you tell us generally what type of equipment was used in the surveillance of Miss Alioto?

A There was a radio type microphone used in the surveillance of the Alioto residence.

Q And can you tell us whether or not the information gained by the microphone was monitored?

A The information gained by the microphone was monitored.

Q And can you tell us how the information was transmitted from the radio type microphone to the monitoring device?

A The radio transmitter was monitored on a receiver tuned to a certain frequency.

Q And where, if you know, was the receiver located?

A The receiver was located in an apartment within the immediate area of the Alioto residence in the same building.

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Q Can you tell us what the approximate range of the radio transmission was with this radio type of microphone?

A The effective transmission is approximately fifty feet.

Q Can you tell us, Mr. O'Connell, if any other law enforcement agencies participated in this electronic surveillance?

A To the best of my knowledge they did not.

Q Now, can you tell us, Mr. O'Connell, whether you are familiar with the electronic surveillance of an office located at 2559 and 2561 North Downer Avenue in the City of Milwaukee?

A I am.

Q Can you tell us the approximate dates that you recall that this electronic surveillance took place?

A To the best of my recollection this electronic surveillance took place between the period of March, 1964 through approximately June of 1965.

Q Can you tell us, please, Mr. O'Connell, what type of equipment generally was used in this electronic surveillance?

A This electronic surveillance consisted of a transistorized microphone that was monitored through a

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12/5

telephone line.

Q And can you tell us to what point the telephone line led for purposes of monitoring, if any point at all?

A The telephone line led from the premise area where the microphone was installed to the confines of the Milwaukee office of the F.B.I.

Q Can you tell us, Mr. O'Connell, if the connection between the microphone and the telephone line was made by F.B.I. personnel?

A It was.

Q Can you tell us whether F.B.I. personnel were assisted by telephone company personnel in the connecting of the microphone to the telephone line?

A There were not./sic/

Q Can you tell us, Mr. O'Connell, whether any telephone lines were used in the electronic surveillance of Miss Alioto's apartment?

A There were no telephone lines used in the electronic surveillance of Miss Alioto's apartment.

Q Can you state, Mr. O'Connell, whether you had a conversation with a Mr. Stein regarding the possible use of telephone facilities in the electronic surveillance of Miss Alioto's apartment on Prospect

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A I did have such a conversation with Mr. Stein, exploring the possibility.

Q And can you tell us as best you recall it the nature of your conversation with Mr. Stein, what he said and what you said?

A I asked Mr. Stein if he could tell me whether there were any vacant lines available in the premise area of the Alioto apartment that would be available to the F.B.I. Mr. Stein told me that there was a line available.

Q Did you ask him to reserve that line?

A I asked Mr. Stein to reserve the line in the event I thought it necessary to use it.

Q Did you, in fact, ever use that line?

A I did not use the line.

Q Can you state, Mr. O'Connell, whether or not any law enforcement agencies other than the F.B.I. participated in the electronic surveillance of the Downer Avenue premises?

A To the best of my knowledge they did not.

Q Can you tell us, Mr. O'Connell, generally whether it is technically possible for any person to intercept the transmission of the communications from

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12/3

from Downer Avenue to the Federal Building?

A Based upon the type of installation made there, no.

Q Can you state, Mr. O'Connell, whether you know of any electronic surveillance on the home or attorney James Shellow?

A I know of none.

Q Do you know of any electronic surveillance on the -- Mr. Shellow's office?

A None.

Q Do you know of any electronic surveillance on the office or home of attorney Eugene Koenen?

A No.

Q Do you know of any electronic surveillance on the home or -- on the home of Joseph Maniaci?

A No.

Q Do you know of any electronic surveillance on the home of Santo Curref?

A No.

Q Do you know of any electronic surveillance on the home of Rudolph Porchetta?

A No.

Q Do you know of any electronic surveillance at the Gallagher's Steak House on 3rd Street between

PHL



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Wells and Kilborn?

A No.

Q Do you know of any electronic surveillance at the Downtowner located on 4th and Wells?

A No.

Q Do you know of any electronic surveillance at the Tower Tavern on 11th between Wisconsin and Wells?

A No.

Q Do you have knowledge of any electronic surveillance at the Hotel Roosevelt on 4th and Wells?

A No.

Q During the period of time that you were stationed in Milwaukee in the capacity as a special agent would you have received knowledge of electronic surveillances at these addresses during that period?

A I would have had knowledge had the F.B.I. been involved in any electronic surveillances at these places you have just mentioned.

MR. GIMBEL: I have no further questions.

THE COURT: Cross examine.

CROSS EXAMINATION

BY MR. WALSH:

Q Mr. O'Connell, did Mr. Stein identify the cable and pair for you that he was going to reserve?

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A Yes, he did.

Q And what were those -- how did he identify them?

A By a number.

Q What was the number?

A I do not recall the number.

Q Where is your record of that number?

A I have no record of that number.

Q What did you do with it?

A I never made a record of that number.

Q You mean it was never written down in any report that you ever made?

A No, sir.

Q Now, what was the code name for that surveillance?

A The code name, sir?

Q Yes.

A I don't understand the question.

Q Well, you -- in your reports that I've been looking at, that have been furnished me by the Government there are numbers like -- or, symbols like MI61 and another number on the sheets of paper, isn't that a code for the surveillance?

A That's referred to as a symbol number, not

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a code number, it is a symbol number.

Q All right.

To you it's a symbol number.

Now, what does that mean, what does the MI61, for instance, what would that mean?

A For an example, the MI61 with an asterisk?

Q Yes.

A After it would indicate to me that this is an electronic type of surveillance.

Q Well, I'll show you document -- I'll show you a document which bears an F.B.I. stamp and some numbers like 92-222-1-88 at the bottom, just for identification; direct your attention to the number at the top, MI something, what do those symbols signify to you?

A This N31-C on here signifies to me that this was an electronic type surveillance, information contained in this was obtained from an electronic type surveillance.

Q Do the numbers signify anything specifically?

A What numbers?

Q The 61?

THE COURT: 63.

MR. WALSH: Q. 63?

A This signifies to whom this surveillance

DRW



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ex12/11

is on./sic/

Q I see.

And does it have any reference to the year in which it was commenced or conducted?

A No, but this up here (indicating) says 9-27-63.

Q Yes, but I'm -- I merely -- I can understand --

A No, no --.

Q Easily, but this --.

A Does this number have any significance as to calendar date or year (indicating)?

Q Yes,

A No,

Q Now, I show you another one which has been marked Defendant's Exhibit 2 for the motion, and that has a heading similar to it, HE something?

A Uh huh,

Q Will you read it?

A NI616-C.

Q Yes.

Now, does that NI61, does the 61 in any way refer to a year?

A No, it does not, sir.

Q That's a number of the --?



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12/12

A° That's a number which has nothing to do with the year.

Q I see.

Now, would MI616, bearing the date 10-23-61 -- MI616C, and the document that's dated 9-27-63 and has the number N632C, would that indicate to you that there were some sixteen electronic surveillances during that period?

A No, not at all.

Q How are those numbers chosen?

A Those numbers are chosen through an administrative function at the office.

Q Who administers the function?

A I don't know the name of the individual, sir.

Q Well, did you ever write on the -- any reports concerning these electronic surveillances?

A Did I ever write on any of them?

Q Yes.

A No, sir.

Q You've never made a written report on any of your activities?

A No, sir.

Q On any of these electronic surveillances?

A No, sir, I have not.

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12/13

Q Isn't that unusual or contrary to the custom of special agents insofar as their activities are concerned?

A No, it's not, I had -- the case was not assigned to me, therefore I was not under obligation to submit or write reports in the matter.

Q Well, did you take part in the monitoring after the equipment was installed?

A No, sir, only to check to see that -- if it was working properly.

Q I see.

Did you ever get telephone company assistance in this connection?

A To see if it was working properly?

Q Yes.

A No, sir.

Q Or to make repairs?

A No, sir.

Q For instance, the surveillance on Downer Avenue, were there ever any breakdowns that required repair?

A They were minor breakdowns that required repair from time to time.

Q And who took care of those?

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A I did, sir.

Q Now, the -- are you -- have you been specially trained in this electronic installation and operation?

A I have.

Q Where did you get that training?

MR. GIMBEL: That's objected to, Your Honor, I think the fact that he's specially trained is sufficient for the purposes of this motion.

THE COURT: Do you think that might lead you to something?

MR. WALSH: Yes, I think I'm interested in developing that he might have gotten it the same place the internal revenue service people got it.

THE COURT: He may answer the question.

THE WITNESS: I received special training in this type of work.

MR. WALSH: Q Where?

A In Washington, D. C.

Q Under whose auspices?

A The Federal Bureau of Investigation.

Q I see.

And was there any -- were any of these instructors non F.B.I. personnel?

A They were not.

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12/15

Q And are you the -- the only person in your office who engages in this electronic surveillance, that is, the installation and withdrawal?

A I am.

MR. GIMBEL: That's objected --.

MR. WALSH: Q That is, the electrical part of it?

A The electrical part of it.

Q Yes.

Well now, I show you these again -- I guess I'd better have these marked.

Could they be marked 2A, Defendant's 2A and B on the motion.

Mr. O'Connell, I show you document, marked 2B and at the top there is a -- some initials and some numbers, will you read those?

A In the upper left-hand corner?

Q Yes, sir.

A It says MISB-81.

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13/1

Q And I'll show you Defendant's 2-A on the motion, and this number is -- is what on the top?

A M632-C.

Q Now, Defendant's Exhibit 2 is 61?

A M616-C.

Q Do those three different symbols indicate to you three different electronic surveillances?

A No, only two.

Q Well, are the numbers the same on one of them?

A The numbers are the same, but **.

Q (Interposing) On which ones?

A Two of them, have the letter C behind them.

Q Yes,

A The other one has the number 81, without any letter designation, which means to me this is not an electronic surveillance.

Q All right.

THE COURT: When you say that, which are you referring to?

MR. WALSH: He is referring to **.

THE WITNESS: (Interposing) 5881.

MR. WALSH: 2-B.

MR. McNEILST: 2-B, Mr. Walsh?

i PGSU



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MR. WALSH: Yes.

Q Well then, is the G the way in which we can identify the electronic surveillance?

A Yes, sir.

Q Now, I take it you didn't have an opportunity to examine the logs that were delivered to us in connection with the electronic surveillance at the Alioto premises at Prospect Avenue, did you?

A That's correct, I did not.

Q All right.

Will you look at that one that has an exhibit mark, what's the exhibit mark?

A Down at the bottom?

Q No, it's a stamp up here, Defendant's 2-G, for the purposes of the motion.

A Yes, Defendant's 2-G.

Q And will you look at the name that appears on the bottom?

A The employee's name is S.A. Joseph E. O'Connell.

Q Is that you?

A That's me, sir.

Q And that a log prepared by you?

A That is.

Q Well, isn't that-- doesn't that indicate taking



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part in the electronic surveillance?

A As I mentioned earlier, I did check the electronic surveillance, but it was for the purpose of determining the quality of the line, how it was working, and as such, I made out one of those logs that during that time I was cognizant of any activity during a particular time.

Q And on this one you reported 12:00 midnight S. O. C., O. K., on duty.

A Uh-huh.

Q And no activity noted during entire shift.

A Uh-huh.

Q 8:00 A.M. O'Connell off duty, S. A. Holzman on duty.

A Uh-huh.

Q That indicate that you remained with this surveillance, took part in this surveillance through the eight hours?

A Yes, sir.

Q Let me show you copies of logs, other copies of logs which bear your name.

THE COURT: Have they been identified?

MR. WALSH: No, they haven't been marked yet.

THE COURT: That will be D, E, and F?



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MR. WALSH: 2-D, E and F.

Q. Here are three logs or copies of logs marked Defendant's Exhibits 2-D, 2-E and 2-F respectively, will you look at those and I ask if they refer to activity on your part in the electronic surveillance?

A. Yes, they do.

Q. And wasn't this actually monitoring the line?

A. Well, I cannot say whether it was monitoring the line or not, all I can say is that I was present during these particular times when the line was being monitored.

Q. I see.

And that was in an office in the F. B. I., in the Federal Building in Milwaukee, is that right?

A. Yes.

Q. Now, you made the statement that these -- this line between the microphone and the F. B. I. office could not be tapped, is that right, did you make such a statement on direct?

A. In which -- which instance are you referring to, sir?

Q. Where the telephone line was used.

A. Yes.

Q. In other words, it would be impossible for

DPD



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13/5

anyone else to secure any information from that line?

A Correct.

Q Why?

A Because ***.

Q Tell us why it would be different than a phone wire for instance?

A To answer that question I would be divulging information that might be prejudicial to the best interest to the security of this country.

Q Doesn't anybody else know?

A Sir?

Q Doesn't anybody else know?

A Not that I'm aware of.

Q Well, wouldn't an induction coil pick up what went over that line?

A Not to the best of my knowledge.

Q Now, after you left Mr. Stein, oh, I want to show you these articles from Exhibit 4, a Group Exhibit 4, and will you tell us whether you ever saw these articles?

A Yes, I've seen articles similar to these.

Q Well, do you recall those specific articles?

A Well, there is no specific way I could identify them, but these are connecting blocks.

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Q Of a type used by you on occasion?

A Yes.

Q And is that microphone one of the radio type microphones that you were talking about?

A No.

Q This is just a simple transmitter microphone, is that right?

A This is a transistorized preamplifier microphone.

Q By preamplifier, what do you mean?

A That it amplifies sound.

Q Oh, I see.

All right, and do you know whether that's property of the F. B. I. or was at any time?

A I have no identifying mark on this, sir, but this is property that the F. B. I. has had similar type property in appearance.

Q All right, sir.

Now, can you tell me whether this -- these two -- I forget what the other man called them, but maybe you can tell me what they --.

A (Interposing) Well, to me, sir, they are connector blocks.

Q Connector blocks, whether those connector

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blocks were furnished you by the telephone company?

A No.

Q Well, have you used connector blocks of that type in your installations?

A Yes.

Q Where did you obtain them?

A Well, you can obtain them, I don't know where I - may have obtained these particular ones, but they are marketable, on the market.

Q I see, in electrical shops?

A Yes.

Q Well, these are marked Westinghouse.

A Westinghouse? No, Western Electric.

Q Western Electric, excuse me.

A Uh-huh.

Q Doesn't that indicate to you that they are made for telephone company use?

A Well, I know Western Electric is a supplier for the telephone -- for telephone equipment.

Q Does it also market these, to your knowledge?

A I do not know whether Western Electric markets them or not.

Q Now, after you had this pair, cable and pair identified for you, by Mr. Stein, for the Alioto



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premises at -- on Prospect Avenue, for prospective use on Prospect Avenue, is it your testimony that you didn't use them?

A I did not use them.

Q Who did, to your knowledge?

A No one to my knowledge.

Q And did you make that known to Mr. Stein?

A I don't think I ever called Mr. Stein back on it or approached him further after our original discussion in which I attempted to determine from Mr. Stein whether such lines were available.

Q Well, actually, he reserved a specific cable and lines for you, didn't he?

A He said that they were available.

Q Well, he identified them for you?

A For our use that these particular lines were available for our use.

Q And he gave you the numbers?

A Yes.

Q And that's all you need to hook on, isn't it?

A That's right, sir.

Q Those numbers are kept secret by the telephone company, aren't they, otherwise?

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A I don't know what procedure the telephone company has on keeping their numbers secret.

Q Well now, how many times have you acquired from the phone company and used cables and lines?

MR. GEMBELI: Object to that, Your Honor, unless he can relate it to this inquiry.

THE COURT: Well, I think you ought to relate it to the case here.

MR. WALSH: Well, Your Honor, my point is, he's in direct conflict with prior witnesses who told us that the P. B. I. would get a pair and a cable, and then when they ceased they would notify the telephone company, and the telephone company would erase the number, and put the new assignment down, if there was one, and he says --.

THE COURT: (Interposing) Nobody in the telephone company testified that they were ever used.

MR. WALSH: No, but --.

THE COURT: (Interposing) This man here says he only used one at an address --.

MR. WALSH: (Interposing) That's right, but I want to test his testimony to find out what he said on direct --.

THE COURT: (Interposing) You can test him.

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MR. GIMBEL: The only objection I have, Your Honor, is that he should relate it to this case. If Mr. O'Connell has done any of his special -- used his special talents in any other case that might involve the national security, I don't think it should be part of this record.

THE COURT: Of course it will not be if that's what it is.

MR. GIMBEL: He asked him how many times he's done this.

THE COURT: I'm going to limit it now to cases outside of protection of the national security.

MR. WALSH: Q All right, cases outside national security.

A What is your question?

THE COURT: How many times have you used this equipment or these lines or these cables from the telephone company in cases outside of national security cases?

THE WITNESS: Well, I've used them several times, exact number I don't know.

MR. WALSH: Q Well, is it more than ten?

A I would say not.

Q All right.



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Then in those cases which are divorced from national security investigations or surveillances, when you cease the use of the cable and pair, did you not notify the phone company?

A Only if it was going to be ceased permanently. I would notify them. If there was any potential that it might be used subsequently, I did not.

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Q And can you tell us -- do you recall the number of this cable and pair that you asked about for use on Prospect Avenue?

A No, sir, I don't recall the number.

Q But you didn't write it down, purposely?

A Sir?

Q You omitted writing it down so it won't be available to anyone, I suppose?

A I never made a report of writing anything like that down.

Q Why not?

A Because I didn't feel it was necessary to write it down.

Q Because you would remember it?

A If I were going to use it I would remember it.

Q Are you an attorney, Mr. O'Connell?

A No, I'm not.

Q Now, in connection with this case did you make any other telephone company type connections?

A In connection with the Alioto matter?

Q Alioto or Balistreri, yes.

A I made one inquiry about available lines in the Balistreri case.

Q Did you use the lines?

(Exhibit)



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A Yes.

Q And then the -- this other surveillance was done in the manner that you've described for the Downer Avenue --?

A The Downer Avenue surveillance was monitored at the office of the F.B.I.

Q Yes, sir.

A Over a telephone line.

Q Yes, sir.

Now, where was the other one where you used the telephone --?

A The Prospect?

Q Now, the Prospect you said was not a wire situation.

A That's true.

Q Over a radio?

A That's true.

Q No telephone line used at all?

A At the Prospect, no.

Q Now, did you use another cable and pair from a telephone company in any other electronic surveillance connected with this case, without naming it?

A I have used another pair but I don't know if it has any connection to this case.



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Q Well --.

MR. MCNELIS: Mr. Walsh, could we approach the bench just a moment, please?

(Discussion off the record, at the bench.)

THE COURT: Mr. Walsh, you may go ahead without naming what the situation was. I think there's one situation that this Witness wouldn't know about that you might want to interrogate him about, that's not concerned in this act.

MR. MCNELIS: Thank you, Your Honor.

MR. WALSH: Q Well, Mr. O'Connell, did you arrange for the installation of a microphone in the office of a lawyer in Milwaukee?

A Yes.

Q More than once?

A No.

Q Only one lawyer?

A Yes.

Q And was that a -- an office which was used by several lawyers?

A Yes.

Q And was the microphone in a place where the lawyer's conversations with his clients and any person



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who came to his office could be heard?

A Yes.

Q And where conferences between him and his secretary and his associates in the office would be heard?

A Yes.

Q And was that installation conducted or made in the same way or similar to the one at 1609 Prospect?

A No.

Q What was the difference?

A The one at 1609 North Prospect was not monitored on a leased line, a telephone line.

Q A radio, that was the radio?

A That's right, sir.

Q All right.

Then, how about the Downer Avenue, was that installation similar to the one in the lawyer's office?

A Yes, sir.

Q That ran to the F.B.I. office?

A Yes, sir.

Q And the sounds or conversations or whatever it was that was picked up was picked up through a microphone of the type that we examined here?

A Similar to that, sir.

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Q Did you take part in that surveillance?

A I beg your pardon?

Q Did you take part in that surveillance after the installation?

A In the same manner that I took part in the one on -- on Downer Avenue.

Q Well, as I understand you, you performed two functions in -- you would be present sometimes while the surveillance was on in order to inspect the operation of the equipment?

A That's correct.

Q Now, did you remove that installation?

A Which one now are you speaking of?

Q The one in the lawyer's office?

A Yes.

Q The microphone was removed?

A Yes.

Q Is there any other equipment of any type installed in that office so far -- by your activity?

A I installed no --.

Q Or in connection with your activity?

A I installed no other devices, no, sir.

Q So far as you know, then, there is no electronic device or other device in that office for the

SRM



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purpose of surveilling or hearing the conversations there?

A At the present time that's correct.

Q All right.

Q When was this removed?

A To the best of my knowledge that was removed sometime during 1963, the exact date of which I'm unable to recall.

Q And did you notify the telephone company?

A Yes, sir.

Q That you were through with that cable and pair?

A (Nodded head up and down.)

Q And did you notify them that you were through with the one on Downer Avenue?

A I don't recall whether I told them I was finished with that one or not, sir.

Q That equipment was not removed by you?

A The one on Downer Avenue?

Q That's right.

A It was not.

Q Now, who did you notify that you had ended the use of the cable and pair at -- at the lawyer's office?

A It was 1963, that would probably have been Mr. Nelson.

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Q Did you get the cable and pair in that case from Mr. Stein?

A If Mr. Stein --.

Q Well, excuse me, I think that's unfair because I think Mr. Stein said he left, didn't he, the position in '63. I'll withdraw that.

Do you recall who -- who did give you that line?

A No, I don't, right offhand; who may have given me that line.

Q Now, when you're given a cable and a pair -- is that the right expression in your usage of it?

A That's just about right, yes, sir.

Q I kind of picked up from these telephone men as they testified.

A Uh huh.

Q Could you have run it to any place you chose, would it have been possible for you to run it off into any place that you chose?

A I don't know whether that would have been possible or not, I -- I didn't make any inquiry of the telephone company whether that was -- would be possible or not. I was interested in running it from the location in this instance, West Wisconsin Avenue into the

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F.B.I. office, that was my only inquiry, could this be possible to run it in.

Q And -- in the one on Downer Avenue, did the -- the cable and lines that were disclosed to you or made available to you, did they project from a phone pole or were they from a cable box in the building?

A The one on Downer Avenue was from a telephone pole.

Q And then -- then that's as much as the telephone company did for you on that installation was tell you about it and make it available for you on the pole?

A Where the location was on the pole.

Q All right.

And from there the F.B.I. arranged for the lines to be run into the building, is that it?

A Yes, sir.

Q And were they run in through the cable box through the terminal box in the building?

A No, they were ran/sic/ into a -- a cable that was located in a specific location within the Federal building.

Q No, the other end.

A The other end?

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Q At Downer Avenue.

A At Downer Avenue?

Q Yes.

A I made the connections at Downer Avenue.

Q Now, did the line, then, from the pole run in through a cable -- through a telephone company box in the building?

A In the Downer building?

Q Yes.

A Not that I know of.

Q Well then, did it run directly into the office?

A It ran directly into the office, out to a telephone pole.

Q And not into -- into a telephone box at all?

A Not that I know of.

Q Then, let me ask you, did you use these connections, these devices?

A Yes, I mounted these on the wall.

Q On a wall in the building?

A Inside the building, right.

Q Not in any box or in any telephone box where there are a lot more of these installed?

A Well, there were some in the immediate area,

PPG



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but it was not a closed box.

Q Well --.

A It's referred to as a terminal board.

Q Oh, all right.

Well then, there's -- I'm a little bit confused on the description.

But were other telephone lines on that -- connected to that telephone -- to that board, is that right?

A There were other connecting blocks on the board, I didn't bother to check to see if they were occupied.

Q All right.

Now, how many tapes would your monitoring system in the office handle, that is how many --?

A How many tapes?

Q Yes, how many could you run at once?

A Well, one recorder would run one reel, ten and a half inch reel of tapes.

Q Yes.

Now at the same time would you have more than one going?

A At times more than one were going.

Q And how many recorders did you have for

(P&R)



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such purposes in this room?

A To the best of my recollection there were five.

Q Now, did you -- do you know whether there was any payment made by the bureau for the use of these lines?

A For the use of the telephone lines?

Q That's right.

A I don't know, sir.

Q Do you know in what name these lines were reserved?

A No, sir.

Q Did you make this arrangement with the telephone company or were you just told about it by someone after you came there?

A Right, I was told about it, I made -- I made no formal arrangement with the telephone company.

Q You were informed by your associates or supervisors that this was in existence, this arrangement was in existence when you came to the bureau in Milwaukee?

A Yes, sir.

Q When did you come to the Milwaukee office?

A In June of 1960.

Q How long had you been an agent then?

DPO



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A Since July 7th, 1958.

Q Now, did you have anything to do with requesting electronic surveillance in other cities?

A No, sir.

Q Did you receive requests to conduct these electronic surveillances that you've testified about here from any other cities?

A No, sir.



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Q Your direction came from your associates or supervisor?

A My directions came from the special agent in charge of the Milwaukee Office of the F. B. I.

Q And who was he?

A Well, there have been quite a number since I first arrived in Milwaukee, what year are you referring to?

Q Well, I am talking about the three installations that you've testified about, the one in the lawyer's office, the one on Prospect, and the one in -- on Darrow Avenue.

A Well, to the best of my recollection, the agent in charge during the period of North Prospect was Joseph L. Kissiah. Now I'm relying on memory about these names.

Q I understand.

A That was in 1961 and '62.

In 1963 we had a special agent in charge of the Milwaukee Office of the F. B. I. by the name of Paul H. Stoddard. And again to the best of my recollection during the years, or at least part of the year 1964, and the subsequent year, the special agent in charge of the F. B. I. was named Richard L. Baker, or,

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Richard J.

Q And, Mr. O'Connell, it's your intention, I think, to tell, is it not, to tell us that if those were the agents in charge at the time you made those installations, you did it at their respective directions?

A Yes, sir.

Q But you are not certain, you recall their specific instructions?

A No, but I receive, like all special agents in any bureau field division, receive their instructions from their immediate supervisor, and during this period of time, my immediate supervisor was the special agent in charge, though I received my instructions from that individual.

Q Was not your -- this electronic surveillance a matter of secrecy and importance so that it was more or less kept between you and the special agent other than for the agents who took part in the monitoring?

A That's correct.

Q Now did you associate with Mr. Holzman, special agent Holzman in your installations?

A I did.

Q And in the surveillance?

A Correct.

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Q . And did he inform you or direct you in any manner in the installation of these devices?

A He did not direct me, he may have made suggestions, but he did not direct me.

Q Do you know who originated the suggestion or direction that these respective places, these three installations should be made?

A Who originated the idea?

Q Yes.

A No, sir, I do not know who originated the idea.

Q You didn't discuss the reasons for the installations?

A I did not discuss it, no.

Q Did you make an inquiry or any attempt, make any attempt to determine whether these were security cases?

A I did not,

Q Or threat to life cases?

A I did not,

Q And that was because you were an agent and you just didn't question your superior's orders?

A That's right, it wasn't my position to question my superior.

DAM



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Q Or to make that decision?

A Correct.

Q All right.

Now, do you know Mr. Barnes, an attorney for the organized crime, in the organized crime division of the Department of Justice?

A I know the name only, I wouldn't recognize the individual.

Q You have never met him?

A I may have met him on one occasion.

Q I see.

What was that occasion?

A To the best of my knowledge Mr. Barnes may have been in the Milwaukee Office of the F. B. I. at one time, and I possibly was introduced to him, that name does sound familiar to me.

Q Now, did you -- were you aware of the function of the Organized Crime Division?

A I was aware that an Organized Crime Division existed within the Department Of Justice.

Q And were you informed as to its object or function?

A In a general way, I was advised, as all special agents are, what the objective of a case is.

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Q Well now, did you cooperate in any way in your electronic surveillances with other agencies?

A Did I cooperate? No, sir.

Q Did you ever associate with officers or agents of any other agency in the installation of electronic surveillances?

A No, sir.

Q Have you had -- has your agency or you as an agent had cooperative meetings with these -- with agents from other agencies concerning the practicability of certain types of electronic surveillances?

A I have no direct knowledge of that, I have never been involved in such a discussion.

Q You have not?

A No, sir.

Q Now, do you have other duties in addition to the electronic duties?

A Yes, I'm an investigator.

Q And absent these installations, why you do the regular work of a special agent of the Bureau, is that it?

A Correct.

Q Does the Bureau have any manual or books of directions on how to make these installations?

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MR. GIMBEL: That's objected to, Your Honor, I don't see what the relevance of manuals, bulletins --.

MR. WALSH: (Interposing) Well, I'm seeking this, Your Honor, from the point of view of the cases which hold that under the supervision of Justice and the administration of Justice, the Courts should consider the impact of such on society.

THE COURT: Objection will be sustained, the thing involved here, as I see it, is what, if anything, was done in this case we are trying.

MR. WALSH: All right.

THE COURT: I won't limit you to any extent you want to go into this case.

MR. WALSH: I understand, Your Honor, but the only reason I wanted -- that was one of the reasons I stated --.

THE COURT: (Interposing) I think that the objection is proper and should be sustained, and I am sustaining it.

MR. WALSH: Q. Do you know, Mr. O'Connell --.

THE COURT: (Interposing) Mr. Walsh, they are getting him a drink of water.

MR. WALSH: Excuse me, I'm sorry.

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THE COURT: You may ask your question.

MR. WALSH: Q. Do you know that the microphones -- well, in one installation you did not remove it, that was the Downer case, or you didn't know whether it was removed, that's the Downer case, right?

A. Yes, sir.

Q. In the other two cases have microphones been removed?

A. Yes, sir.

MR. WALSH: That's all, sir.

THE COURT: You may step down.

(Witness excused.)

THE COURT: Is there any other witness?

MR. GEMBEL: No, sir.

I would say this, there are other telephone company personnel here, I have discussed the matters of that -- that we are interested in with them and it's my opinion they wouldn't shed any more light on the subject than Mr. Kremers did yesterday. Mr. Walsh wants to call them, they are available.

MR. WALSH: Well, I'm very interested in seeing that record of thatline that Mr. -- this gentleman that preceded this witness told us he could identify.

THE COURT: That's the -- he was the district

DWG



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